

On Time and Under Budget / A Vote of Confidence in the Future

Hong Kong's New Airport: An Enormous Project Reshaping the City

By Edward A. Gargan
New York Times Service

HONG KONG — The Kwoks had just sat down to a meal of steamed fish and stir-fried pork. With a roar, the floor shuddered and the chopsticks in Kwok Tai-ming's hands clattered against his rice bowl.

Overhead, seemingly skimming the roof of the tiny seventh-floor apartment, a Cathay Pacific 747 screamed past, banking amid apartment blocks toward Hong Kong's airport at Kai Tak. And then another, and another, every two or three minutes.

By mid-1998 those jets will be stilled. Kai Tak is Asia's third-busiest airport, hunkered down in the heart of the city — the Kwoks and more than 350,000 people live in its landing pads — and stretched far beyond its capacity.

So Hong Kong, like many fast-growing Asian cities, is building a new one — and in the process giving a resounding vote of confidence in Hong Kong's future.

But this is no ordinary project. Hong Kong is spending more than \$20 billion to literally reshape the city to make way for the airport. With the possible exception of the Three Gorges Dam on the Yangtze River in China, it is the world's largest infrastructure project.

Perhaps most startling, to those who hear regularly of delays and cost overruns elsewhere, this one, after an initial snag, is humming along largely on schedule and is even under budget.

Taxes have not gone up, budgets of debt do not loom. The opening may be delayed because of squabbles about how it will be operated, but construction is moving rapidly ahead.

"UT the price for this efficiency, some say, can be seen in a relatively lax attitude toward environmental concerns and an exploitation of workers. It is, as everyone here points out, very Hong Kong."

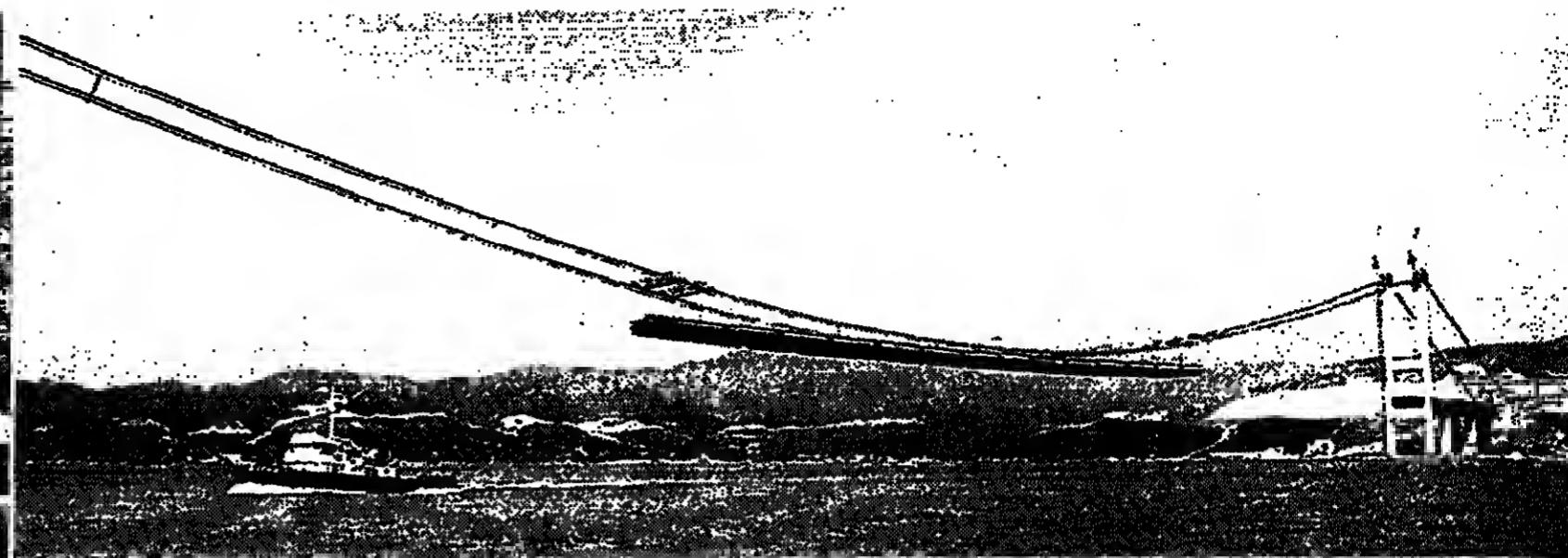
"There're no unions," said James W. Little, a planner at Greiner International Ltd., which drew up the airport's master plan. "You import a lot of cheap labor. They work 24 hours a day. I don't think based on the environmental laws in the U.S. you could build this airport. Face it, it's freewheeling here."

The huge project includes the following:

* A brand new town, complete with schools, police stations, fire houses and shopping centers, that will be home to 20,000 people.



Work on the new airport for Hong Kong, left, encompasses many superlatives, including the Tsing Ma suspension bridge, right, which will contain one of the longest center spans in the world.



Two suspension bridges, one with a central span longer than that of the Verrazano Narrows Bridge in New York.

* A high-speed rail system to whisk travelers the 21 miles (34 kilometers) from central Hong Kong to the airport at Chek Lap Kok island in 23 minutes.

* A six-lane highway from the city's center right to the airport.

* A third tunnel under Hong Kong's harbor.

"They don't get any bigger than this," said James D.A. van Hofsten, a former astronaut and senior Bechtel vice president who is coordinating the 10 main projects that make up what is called the Airport Core Program.

"Things are going amazingly well," he said. "Part of it is that Hong Kong works better than anywhere else. The U.S. government should come and look at how public works projects are done here."

U.S. companies will see little of this project, though. Of 151 major construction contracts, worth more than \$12 billion, U.S. companies have less than 2 percent of the work. Japanese, Hong Kong and British companies have captured most of it, with those from China, the Netherlands and France getting smaller slices.

Commerce Secretary Ronald H. Brown, who stopped in Hong Kong after his recent visit to Beijing, expressed his frustration about the low level of U.S. participation, which he ascribed partly to "a lack of aggressive pursuit of some of those opportunities."

The vastness of the project would stagger most national governments. Most of the airport's five square miles (15 square kilometers) have been wrangled from the sea, plus 825 acres (334 hectares) of new land created in Hong Kong's harbor to support the new highways, office towers and apartment blocks.

THE bridges, highways and rail system, all of which would challenge builders anywhere, are racing toward a coordinated completion, one piece fitting into another, all to be woven seamlessly into this city's fabric. "They want it to be done mostly by 1997," said Mr. van Hofsten. "And they will."

But unlike most super-sized projects, this one is being paid for with relatively little borrowing. The government of Hong Kong is financing the bulk of it. There will be no new taxes, and the government will retain a sizable reserve afterward.

Indeed, the original budget, \$21.2 billion, was trimmed this year to \$20.3 billion. "And it'll come in at less than that," Mr. van Hofsten said. "How many times has that happened in the U.S.?"

While the Eurotunnel linking England and France is mired in \$12.3 billion in debt, the Provisional Airport Authority here confidently predicts that it will pay off its debt within four years of opening.

And while vast mass-transit projects in Taipei and Bangkok are bogged down in corruption, shoddy construction and

political infighting, the Mass Transit Railway Corp., which is building the high-speed train to the airport, predicts that this project, too, will be completed on time and possibly under budget.

And that is not viewed here as boastful, just an expression of routine competence. Hong Kong's mass-transit system is, after all, the only one on earth that earns a profit.

Not that the whole project has always gone smoothly. The original timetable — completion by June 30, 1997, the day Britain returns Hong Kong to Chinese sovereignty — was shattered by a prolonged and angry dispute between London and Beijing over the project's financial structure. The Chinese insisted that Hong Kong sharply reduce the amount of debt, and the two governments finally agreed in June that total borrowing would not exceed \$2.6 billion.

Although there have been a series of plans since the late 1960s to build a new airport — landing planes in the middle of the city was never regarded as ideal — it was not until after the China's Tiananmen Square bloodshed in June 1989 that the Hong Kong government began aggressively pushing the project, one intended to allay residents' alarm over the future.

Even while the British and Chinese were locked in discussions, the Hong Kong government began writing checks to get things started. One Herculean task was flattening Chek Lap Kok island and reclaiming the airport site from the sea,

but even that was finished faster than its scheduled 42 months.

About 20 percent of the current work force of 18,200 is made up of foreign workers — Thais, Filipinos, mainland Chinese. Minimum wages are fixed at \$1,280 a month, but many workers have complained that contractors are fleecing them of part of that. Only recently, after repeated complaints, has the government looked into the matter.

Even Mr. van Hofsten is dismayed about the environmental laxness — dredging and filling in the harbor without studying the impact and threatening the breeding grounds of rare white dolphins, among other things. "It's criminal," he said.

A ONE-HOUR boat ride from central Hong Kong to the airport site shows both the project's dimensions and its impact on the face of the territory. From Hong Kong island, where part of the harbor has become land for the highway tunnel entrance and a rail station, across the harbor to Kowloon, where acres of landfill support a nearly complete six-lane highway, the very shape of the city is changing.

Two monumental parts of the project are the bridges of the Lantau fixed crossing, a short cable-stay bridge and a towering suspension bridge that will have one of the world's longest single spans.

"That project by itself would be spectacular anywhere," said Mr. van Hofsten. "Here, it's just a 'by the way.' "

Past the bridges, which will carry six lanes of traffic on the upper decks and enclosed railbeds on the lower decks, the highway and tracks run along the forested northern edge of Lantau island, toward the new town of Tung Chung.

Across a cramped channel of water, spreading out like a great sandbox, is the platform for the new airport, a foundation that required more than half the world's dredging fleet to construct.

But there is virtually no sign of U.S. participation.

A director of a major Hong Kong infrastructure company, one that is building large chunks of the project, chuckled when asked about the absence of Americans. "American companies just don't know how to operate in this kind of environment in Asia," said the director, who asked to remain anonymous.

"In a project like this, you have to bid low on certain projects, take a loss, and make it up on pieces elsewhere," he said. "That's the way it works. Americans just want to come in and make a lot of money on one deal. That will never work."

COMING UP
Kim-watchers — those seeking to chart the character and course of Kim Jong Il — are having a hard time of it. North Korea's reclusive leader has given them few clues.

CIRAGAN PALACE HOTEL
KEMERISTIKI STADIUM

THE PALACE FOR SUCCESSFUL BUSINESS IN ISTANBUL

TEL: (90) 212 258 33 77 FAX: (90) 212 209 66 97
THE FIRST MEMBER OF "The Leading Hotel of the World"™ IN TURKEY.
Partners of: Luftfahrt Miles & More
TOLL FREE NUMBERS USA AND CANADA: (800) 426 31 35

Marcos Victims' Wait Is Over Money Must Substitute for an Apology

By Philip Shonan
New York Times Service

satio from the family of President Ferdinand E. Marcos, the Philippine dictator who directed his soldiers to imprison and torture thousands of suspected leftists and others.

Mrs. Rosales, now 56, will probably never hear that apology. But to the surprise of many Filipinos who thought that the victims of the Marcos tyranny would never see a penny of the late dictator's ill-gotten fortune, the long wait for compensation may finally be over.

A sizable chunk of the Marcos loot has been located in Switzerland and is apparently on its way home to this destitute nation, to be shared between the Philippine government and nearly 10,000 Filipinos who asserted in court that they were the victims of rights abuses in the Marcos era.

The money — about \$475 million was stashed by the Marcos family in once-secret Swiss bank accounts, money that the Philippine government assets were stolen from the national treasury.

After almost a decade of legal pyrotechnics, Swiss prosecutors announced in August that they were ready to ship the money back to the Philippines. The Swiss deposits represent a fraction of the billions of dollars that Mr. Marcos and his 66-year-old widow, Imelda, are accused of looting from the Philippines in their 20 years in power. The government puts the total theft at more than \$5 billion.

The burn for the Marcos riches had been a source of keen embarrassment to the Philippine government, with its lawyers spending millions of dollars on globe-trotting investigations to find the Marcos family.

Philippine government officials and lawyers for the nearly 10,000 human rights victims said they were working on a deal over how to divide the money.

The proposed deal would give \$100 million of the Marcos fortune to the victims and their families. Under Philippine law, the rest of the money would go to the Marcos family.

The Marcos family is facing a \$2 billion judgment from a case won by rights victims in 1992 in a U.S. court in Hawaii. Mrs. Marcos, who returned from exile in 1991, is now appealing a 17-to-24-year prison sentence for her 1993 conviction in Manila on graft charges.

Iraq Defector To Go Home, Report Says

Compiled by Our Staff From Dispatches

LONDON — Saddam Hussein's son-in-law, who defected to Jordan in August, is preparing a dramatic return to Baghdad this week, The Sunday Telegraph reported.

Lieutenant General Hussein Kamel Hassan, who defected with his brother and their wives, both Mr. Saddam's daughters, "has said he is ready to accept Saddam's word that he can return in safety," the paper said in a front-page article.

Mr. Saddam has said he was prepared to forgive and forget as long as his daughters return home, according to the paper.

"The Iraqi general has now informed his advisers that he is prepared to take the mother of all calculated gambles and throw himself on Saddam's mercy," it said.

A member of General Kamel's entourage said that the general had "received numerous messages from the Iraqi leadership, especially in the first weeks following his defection with the aim of convincing him to return. He has always refused."

General Kamel, reportedly briefed intelligence officials from Britain, the United States and the Middle East.

(AP, AFP)

TRAVEL UPDATE

Traffic Restrictions in Smoggy Italy

ROME (AP) — The centers of Bologna, Udine and other Italian cities were closed to traffic over the weekend, while Naples and Modena announced a similar traffic ban for Monday for weeks of dry, windless weather that has pushed pollution rates to dangerous levels.

Rome is expected to decide on possible traffic restrictions until the smog dissipates. Rome's traffic commissioner, Walter Tocci, said the city would expand its pollution-monitoring network in January and added that "more severe" traffic controls were planned in the coming months.

"We have to respect the health of the citizens," he said.

Train Strikes Feared in Belgium

BRUSSELS (Reuters) — Belgians faced the prospect of weeks of disruption on the train system after the unveiling of a plan to cut 3,000 to 10,000 railway jobs over 10 years.

The national railroad, the Societe Nationale des Chemins de Fer, said there were no plans to cut lines or close stations, but said the job cuts were necessary to attract investment and end losses.

Trade union leaders reacted angrily to the news, raising the prospect of further strikes. Last week, a one-day rail strike over the plan's suspected contents brought trains in Belgium to a standstill, disrupting national and international travel.

Israel will seek international bids to pave a 300-kilometer (180-mile) highway that will stretch from the Egyptian border in the south to Lebanon in the north, Israeli officials said. Yehuda Cohen, director-general of the project, said the highway would be a toll road and that the first planned 90-kilometer stretch through the center of Israel would cost about \$700 million. Bidding will begin next week and close in February, Mr. Cohen said. (AP)

The famed Munich restaurant Aubergine has gone out of business. The former three-star restaurant earned an international reputation under its chef, Eckart Witzigmann. But after a cocaine conviction, he lost his license and the restaurant lost business under a new chef.

(AP)

just ask the butler...
Sheraton Hotels
Where service is anything you want it to be.

SHERATON HOTELS
INTERNATIONAL HOTELS AND HOTEL PLAZAS
1000 19TH STREET, NW, SUITE 1000 • WASHINGTON, DC 20036

INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday International Recruitment
- Tuesday Education Directory
- Wednesday Business Message Center
- Thursday International Conferences and Seminars
- Friday Real Estate Marketplace, Holidays and Travel
- Saturday Arts and Antiques

Plus over 300 headings in International Classified Monday through Saturday

For further information, contact Fred Ronan in Paris:
Tel: (33-1) 41 49 93 70 - Fax: (33-1) 41 49 93 70.

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

© 1995 Herald Tribune Inc.

11/25/95 11:33:12 AM

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 1133-1234

816 025 113

THE AMERICAS

Veto Threat Is Renewed as Senate Approves BudgetBy Todd S. Purdum
New York Times Service

WASHINGTON — Hours after the Senate approved a sweeping budget bill, President Bill Clinton made his strongest warning yet to the Republican Congress, saying that not only would he veto the bill but also that "there is nothing for us to talk about" until money is restored for health, education and the environment.

By a vote of 52-to-47 shortly after midnight Saturday, the Senate approved the huge revenue and spending measure, which would cut taxes by \$245 billion over seven years, sharply curb the growth of outlays for Medicare and Medicaid and turn over to the states broad new responsibility in caring for the poor.

Negotiators must now reconcile it with a similar bill approved by the House, by 227-203, probably late next month.

During a session of almost 15 hours beginning Friday morning, the Senate adopted a number of proposals demanded by moderate Republicans, that veered away from the more conservative House version.

But the president insisted that he had no intention of ne-

gotiating a compromise until the Republicans moved his way, even if they tried to force his hand by refusing to extend the government's borrowing authority so it could keep paying its bills during a stalemate — a threat Mr. Clinton called "blackmail tactics."

"Hear this: Before or after a veto, I am not prepared to discuss the destruction of Medicare and Medicaid, the gutting of our commitment to education, the ravaging of our environment or raising taxes on working people," Mr. Clinton said in his weekly radio address. "So I say to the Republican leaders: Back off your cuts in these vital areas. Until you do, there is nothing for us to talk about."

In the Republican response, the House speaker, Newt Gingrich, warned Mr. Clinton to "think twice about vetoing the balanced budget and jeopardizing long-overdue revolutionary change," and said the president "promises to be a roadblock."

The Senate majority leader, Bob Dole of Kansas, added: "America cannot afford to continue on this destructive course."

The vote Saturday morning sets the stage for a new round of

high-stakes wrangling between Capitol Hill and the administration that White House aides acknowledge could well result in a series of vetoes of the individual appropriations bills as well as the budget package passed this week and a virtual stalemate through the end of the year.

They say that is a risk Mr. Clinton is prepared to take to preserve what he can of his priorities and build a record for his re-election campaign next year.

Congressional Democrats have worried that Mr. Clinton,

whose propensity for compromise is celebrated, will be too quick to bargain, and his tough language Saturday seemed intended to help allay those fears and to portray himself to the public as the true defender of middle-class interests and what he called on Saturday "national values."

"You say your principles are a balanced budget, a tax cut, extending the life of the Medicare trust fund," Mr. Clinton said, addressing the Republicans. "I want all those things. They are my principles, too.

But there are other important

principles, the one that I have outlined. They are morally right for America, and they are good for our economy."

Repeating his refusal to let the Republicans pressure him into an agreement by holding up an extension of the federal debt limit, which expires next month, Mr. Clinton warned: "I am not about to give in to that kind of blackmail."

"If they send me a budget bill that says simply, 'Take our cuts, or we'll let the country go into default,' I will still veto it," he added.

In the coming weeks, Repub-

lican negotiators from the House and Senate not only will have to iron out the differences between their bills but also, in the face of Mr. Clinton's veto threat, might make accommodations to win White House support.

The Democrats' remaining strength in Congress virtually assures that Mr. Clinton's vetoes on budget bills will not be overridden. But what would happen after such a veto is far less clear. The consensus view in the White House is that a compromise will eventually be reached, but no one any longer believes that will happen soon.

Q&A / A Leap Into the Unknown**The Future of Quebec as a Nation-State**

With Quebec voting in an independence referendum on Monday, Brian Knowlton of the International Herald Tribune interviewed several Canadian experts on the likely impact of a 'yes' vote.

Q: What would a yes vote mean to Quebec and its people? How would it affect their daily lives, the way they work?

Robert Young, political science professor at the University of Western Ontario and author of the book "The Secession of Quebec and the Future of Canada": The immediate impact is incredible uncertainty — political and economic. There's never been a secession from an advanced industrial country before. One would assume the political uncertainty would register in the financial markets, and I would expect really heavy selling pressure on the Canadian dollar. Interest rates might have to be raised by the Bank of Canada, there might have to be a G-7 prop-up effort.

Nathalie des Rosiers, an expert on constitutional law who is a member of the Quebec Bar and the Law Society of Upper Canada and was a consultant to the Ontario premier's constitutional committee on the Quebec question: There should not be an immediate big change in the Quebec population's standard of living, except that economic uncertainty affects us all. Some angry Canadian companies might not want to sell or buy Quebec products, but the impact is not clear.

Jean-Marc Leger, president of Leger and

Leger, Canada's largest Francophone polling organization: Instead of two overlapping governments, federal and provincial, there would be only one; instead of two health ministries, there would be one; instead of two transportation ministries, there would be one. There is redundancy in everything now. That would change. In the short term, there would be some very great changes. But everything, of course, depends on the terms of a partnership worked out with Canada.

Q: How could the federal government in Ottawa minimize the uncertainty following a yes vote?

Mr. Young: The best solution for Prime Minister Jean Chrétien, going against his gut feelings, would be to join with his cabinet and make a joint statement that Canada accepts the result and, in principle, Quebec will become a sovereign country. There would have to be immediate agreements in principle on key issues: borders — will they stay intact or not? — the army, which is critical; the debt, and how it will be divided; aboriginal rights, public services and citizenship.

Q: What will the longer term impact be?

Dr. Harold Clarke, a Canadian on the faculty of the University of North Texas who is carrying out a study of the referendum for the National Science Foundation: The economic dislocation will be mainly short-term. It is certainly a highly unusual and volatile situation. But in the longer term, Quebec compares quite well to the economies of the smaller European countries. It seems quite reasonable that they would have a very viable economy down the road.

Q: Could a yes vote lead to a further breakup of the rest of Canada?

Michel C. Auger, columnist for *Le Journal de Montréal*: I do not think so. I think the Canadians will realize that they have more in common than they thought. Jonathan W. Rose, a specialist in Canadian politics at Queen's University in Kingston, Ontario: We could see a domino effect with the Atlantic provinces, particularly since they would be physically separated from the rest of Canada, but also British Columbia, which has developed stronger and stronger ties to Asia.

Ms. des Rosiers: I think the Maritime Provinces are not likely to leave — they are the poor provinces, they are the ones most dependent on federal subsidies. British Columbia, on the other hand, is one of the rich provinces, one of the provinces that has the least to do with the rest of Canada.

Mr. Young: Poll after poll has shown that Canadians identify more with Canada than they do with their own province or region, and overwhelming numbers prefer that the rest of Canada carry on as it is. In a constitutional crisis, I think loyalty and power would flow toward the center.

Perot Uncorks Vintage Speech

NEW BRUNSWICK, New Jersey — Ross Perot brought his twang and his pungent criticism of the major parties to New Jersey, telling his United We Stand supporters to back New Jersey's infant Conservative Party in the General Assembly elections as a prelude to sweeping Congress and the presidency with a new national political party next year.

The Texas industrialist uncorked a speech that was vintage Perot: the Democratic and Republican Parties, he said, are "bought and sold" by special interests; federal bureaucrats are too stupid to manage federal programs properly, and the United States' economy has fallen in thrall to the low wages and high technology of foreigners.

"Here is why we have to win the presidency in '96," said Mr. Perot, whose political organization, renamed the National Reform Party, has won spots on the California, Ohio and Maine presidential ballots for next year. "Right now, this country is a patient on the table bleeding internally, and we've got four broken fingers, and guess what? The doctor is the Republicans and the nurse is the Democrats, and they're fighting, and all they can agree to do is put a splint on those fingers."

(NYT)

Studs Won't Seek Re-Election

EDGARTOWN, Massachusetts — Representative Gerry E. Studds of Massachusetts, a Democrat in his 11th congressional term, announced Saturday that he won't seek reelection next year.

"It is time for me to move on to other challenges," Mr. Studds said at a news conference.

Mr. Studds, 58, is one of the few openly homosexual members of Congress. In 1983, he was censured by the House for having sex with a young man who had served as a congressional page. Despite the bad publicity, Mr. Studds kept on winning re-election.

Quote/Unquote

President Bill Clinton: "Hear this: Before or after a veto, I am not prepared to discuss the destruction of Medicare and Medicaid, the gutting of our commitment to education, the ravaging of our environment, or raising taxes on working people. So I say to the Republican leaders: Back off your cuts in these vital areas. Until you do, there is nothing for us to talk about."

(NYT)

Away From Politics

*** A Nevada jury has ruled that Dow Chemical Co. must pay a woman \$3.9 million because of faulty silicone breast implants, the first time the company has been held liable for health problems that allegedly affect at least half a million women. The woman's husband was awarded \$200,000 in damages. The verdict in favor of Charlotte Mahoun, 46, of Elko, Nevada, who received the implants 10 years ago after losing her breasts to cancer, may inspire thousands more lawsuits, attorneys said.**

*** The College Board, which oversees the Scholastic Assessment Test, admitted that the exam given Sunday was identical to that given April 2. But spokesmen for the board and the Educational Testing Service, which administers the test, said that familiarity was not likely to raise the scores of test, the 100 or so students who repeated the test.**

*** Eight children who died in car crashes in recent years may have been killed by the cars' air bags, the administrator of the National Highway Traffic Safety Administration said in announcing that the agency would begin considering whether there was a need to adopt a new standard of air-bag design.**

*** The murder rate in New York City dropped nearly 30 percent during the first nine months of 1995, according to preliminary Police Department statistics, as the overall crime rate continued a five-year decline. The police reported 915 homicides between Jan. 1 and Sept. 30, down from 1,233 in the same period last year. Auto thefts decreased by 25 percent and robbery rates fell 20 percent.**

(NYT)



VIRAL ENIGMA — A boy being tested for a mysterious virus that has killed 12 people in Achuapa, Nicaragua.

A Hated Argentine Vows to Keep Talking

By Calvin Sims
New York Times Service

LA PLATA, Argentina — Adolfo Francisco Scilingo is a hated man in Argentina.

The military hates him because he broke a sacred code of silence in March when he admitted pushing political prisoners to their deaths from airplanes during the military dictatorship in the late 1970s.

Human rights groups hate Mr. Scilingo because he is a confessed torturer and murderer and a former military officer who cannot be prosecuted because of an amnesty. And the government hates him because his admission nearly derailed a re-election bid by President Carlos Saúl Menem this year.

Mr. Scilingo, who has been imprisoned here for five months awaiting trial on fraud charges, asserts that he is innocent and that he was framed by the military and Mr. Menem, who ordered that Mr. Scilingo be stripped of his retirement rank after he spoke out.

"I don't think that the goal was to silence him, because it was clear that Scilingo wanted to continue talking," Mr. Abregu said. "I think his jailing during the repression.

"I don't think that the goal was to silence him, because it was clear that Scilingo wanted to continue talking," Mr. Abregu said. "I think his jailing

was a way of discouraging others from confessing."

The judge in Mr. Scilingo's case, Osvaldo Miguel Solimine, said in an interview that there was overwhelming evidence implicating Mr. Scilingo in a scheme to defraud Argentines of tens of thousands of dollars.

"There has been no influence here by the government or by the military," Judge Solimine said. "Mr. Scilingo conspired with these other individuals to commit fraud and under the law we must keep him in jail."

Human rights groups say Mr. Scilingo has been forced to resign himself philosophically. "Scilingo is seeking allies where he never would have looked for them," Mr. Abregu said. "As for us: do we love Scilingo? Of course not. But we don't want him or other Scilingos to stop talking."

Mr. Scilingo said he passed his days exercising and writing his memoirs, which he said would reveal other crimes that he witnessed at the infamous navy detention center in Buenos Aires.

Since admitting to human rights abuses in March, neither the government nor the military has disputed the account he provided at that time. A commission reported that 4,000 people had been killed and at least 8,900 had been arrested or kidnapped and never seen again.

"There has been no influence here by the government or by the military," Judge Solimine said. "Mr. Scilingo conspired with these other individuals to commit fraud and under the law we must keep him in jail."

Human rights groups say Mr. Scilingo has been forced to resign himself philosophically. "Scilingo is seeking allies where he never would have looked for them," Mr. Abregu said. "As for us: do we love Scilingo? Of course not. But we don't want him or other Scilingos to stop talking."

Mr. Scilingo said he passed his days exercising and writing his memoirs, which he said would reveal other crimes that he witnessed at the infamous navy detention center in Buenos Aires.

"I don't think that the goal was to silence him, because it was clear that Scilingo wanted to continue talking," Mr. Abregu said. "I think his jailing

was a way of discouraging others from confessing."

The judge in Mr. Scilingo's case, Osvaldo Miguel Solimine, said in an interview that there was overwhelming evidence implicating Mr. Scilingo in a scheme to defraud Argentines of tens of thousands of dollars.

"There has been no influence here by the government or by the military," Judge Solimine said. "Mr. Scilingo conspired with these other individuals to commit fraud and under the law we must keep him in jail."

Human rights groups say Mr. Scilingo has been forced to resign himself philosophically. "Scilingo is seeking allies where he never would have looked for them," Mr. Abregu said. "As for us: do we love Scilingo? Of course not. But we don't want him or other Scilingos to stop talking."

Mr. Scilingo said he passed his days exercising and writing his memoirs, which he said would reveal other crimes that he witnessed at the infamous navy detention center in Buenos Aires.

JAPAN AIRLINES

Japan Airlines now offers even more opportunities to make more use of our frequent flyer programme, JAL Mileage Bank Europe (JMBE).

From November 1st our tie-up with Air France means more chance to earn mileage credits, and the choice of a wider range of awards, including free flights, which can be redeemed on either airline's network.

Add to this our continuing partnership with American Airlines, and suddenly the sky's the limit.

By the way, if you travel to Japan via Charles de Gaulle airport, you'll be glad to know that all JAL and Air France flights now go from terminal 2 only.

AIR FRANCE

JAL

Japan Airlines

A BETTER APPROACH TO BUSINESS

Hertz

For the best car rental prices there's only 1 place to go.

Planning your next trip home? Hertz makes it even easier. Whether for a day, a week or for a month, Hertz will provide you with quality cars and unbeatable service at unbelievable prices.

Hertz

Home

Hertz rents and leases Ford and other fine cars.

Hertz

Sri Lankan Army Conquers a Key Town Near Jaffna

Agence France-Presse

COLOMBO — Fierce hand-to-hand fighting raged in northern Sri Lanka on Sunday as the army advanced into a key rebel-held town amid stiff resistance, leaving at least 71 killed on both sides, the military said.

Some 7,000 soldiers backed by tanks and artillery advanced into the small town of Neerwell, regarded as a vital stepping stone in the battle for Jaffna, the rebel capital, a military spokesman said.

The spokesman, Sarath Munasinghe, said the separatist Liberation Tigers of Tamil Eelam (LTTE) put up stiff resistance to slow the army advance by firing a barrage of mortar bombs.

"Neerwell is a key town for the LTTE," Mr. Munasinghe said. "The fall of Neerwell leaves us only one more small town before we go to Jaffna." He said 31 soldiers were killed and 35 were wounded Sunday.

He said the army was advancing after a two-day break that allowed them to

consolidate in the area captured from the Tigers since launching the Rivinse (Sunrise) offensive on Oct. 17.

Mr. Munasinghe said the army found a well-fortified bunker line and a minefield laid by the guerrillas at Neerwell, just eight kilometers (five miles) north of Jaffna.

"The Tigers offered stiff resistance as we began the advance at first light today," Mr. Munasinghe said. "But we are pressing ahead." He added that the Liberation Tigers may have removed some installations in the area.

A brief military statement claimed that at least 40 Tiger soldiers had been killed in close-range fighting and that more guerrillas had been wounded.

The latest casualties raised army losses in the offensive to 159 killed and more than 500 wounded. The government has said the offensive is a move to capture Jaffna at any cost.

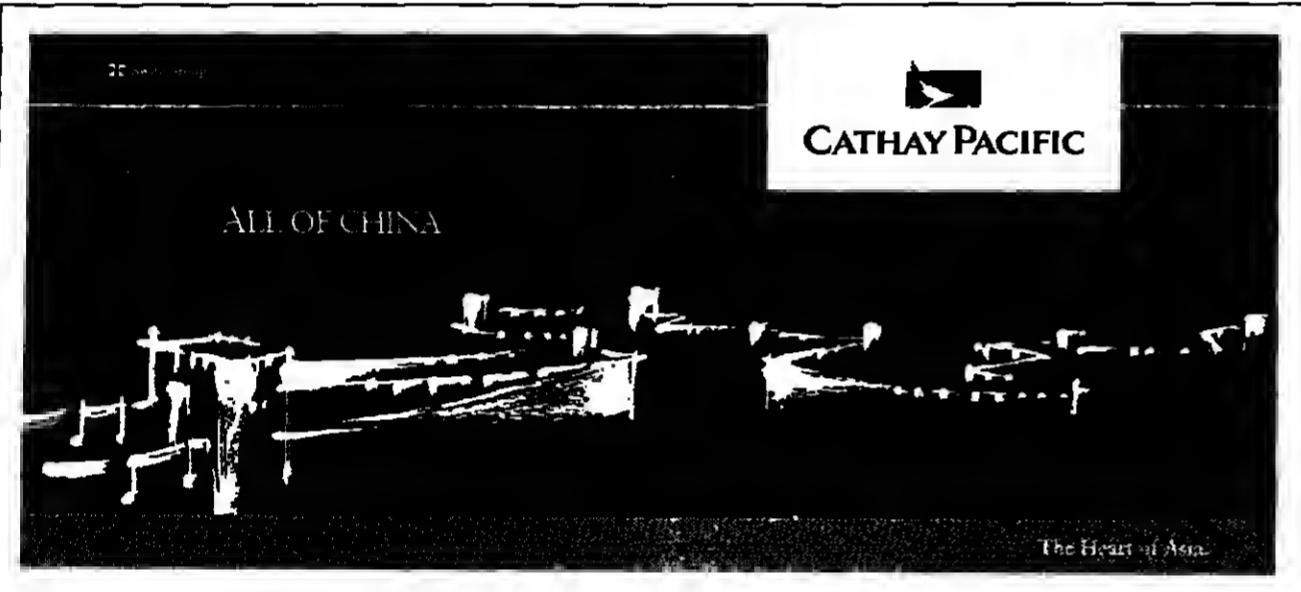
The army's estimate of Tiger losses has risen to 560 killed and more than 1,500 wounded. The military has not given figures for civilian casualties but a Roman Catholic priest who traveled

from the region said that about 35 to 40 people have been killed.

The army's renewed push toward Jaffna came as the rebels called for foreign mediation to end Sri Lanka's ethnic war. The rebels said that third-party intervention was needed to remove mistrust and resolve the conflict, which has claimed more than 50,000 lives since 1972. They blamed Colombo for rejecting mediation, which they said had been offered by Australia, Britain, Canada, Norway and the United States.



Opposition party officials, Kim Dae Jung, left, and Kim Young Bae, conferring Sunday at the airport in Seoul.



Showdown in Seoul For President Kim Crisis Looms Over Funds

Reuters

SEOUL — President Kim Young Sam prepared on Sunday for a showdown with South Korean opposition leaders who threaten to turn a slush fund scandal into a weapon against his presidency.

Mr. Kim was to meet with leaders of his own Democratic Liberal Party and heads of opposition groups on Monday, ostensibly to "exchange views" on his just completed visit to the United States and Canada.

An official of the governing party said the get-together would also touch on the political slush fund furor that has confronted Mr. Kim with his biggest crisis in office.

Last week, Mr. Kim's close ally, former President Roh Tae Woo, dealt him a major blow by tearfully admitting that he took at least \$667 million from business conglomerates while in office.

Mr. Kim's arch rival, Kim Dae Jung, leader of the main opposition National Congress for New Politics, returned home on Sunday from Beijing but declined to say whether he would attend Monday's gathering.

Kim Dae Jung turned the heat up on the crisis by acknowledging to reporters in Beijing that he took several million dollars from Mr. Roh, and he accused the president of accepting hundreds of millions.

The money was used to help

finance the two Kims' 1992 presidential campaigns in which Kim Young Sam emerged victorious, Kim Dae Jung alleged.

Asked whether he would join the meeting on Monday, Kim Dae Jung told reporters at the airport:

"I will decide this after consulting with my party."

The Yonhap news agency reported that Kim Dae Jung said in Beijing that the president should come clean about whether he took money from Mr. Roh, if so how much and what action he intended to take to resolve the crisis.

The agency quoted Kim Dae Jung as ridiculing the president's assertion that he did not take "a single penny" from any source for political purposes.

"Even though he blusters, he takes tens of billions of won from the Central Election Management Committee every year," Yonhap quoted Kim Dae Jung as saying. The committee is a government body that oversees elections and supervises legally raised political funds.

South Korea's president returned from a two-week trip to Canada and the United States on Saturday and was immediately whisked into talks with Prime Minister Lee Hong Koo, Justice Minister Ahn Woo Mahn and the chief government prosecutor.

Storm Sweeps Central Philippines

BACOLOD, Philippines — The tropical storm designated Zack killed nearly 100 people, forced 60,000 others to flee their homes and sank two passenger ferries in a devastating sweep across the central Philippines, officials said on Sunday.

The storm flattened more than 2,000 houses, most of them built of wood, downed power lines, knocked out telephones in eight provincial cities and triggered floods that ravaged sugarcane plantations in the Visayas region.

More than 5,000 other houses were partly damaged, relief officials said.

President Fidel V. Ramos declared a state of calamity in Visayas to enable the central government to release emergency funds to rebuild the area. (Reuters)

U.K. Rejects Hong Kong Indians

LONDON — The governor of Hong Kong, Chris Patten, said on Sunday the British government had refused to yield to his appeal on behalf of 7,000 Indians living in the colony who could be made stateless when China takes over in 1997.

Mr. Patten said he had spoken to ministers during a visit to London urging that people originally from the Indian subcontinent should be given full British passports before the handover and allowed to resettle in Britain.

"I think the British government should turn on that, I've argued it again this week, and I will continue to argue it," Mr. Patten told independent London Weekend Television.

"I got the response that I've had in the past, which was to say if these people find themselves in any particular difficulties after 1997, if they're being discriminated against, then we will look at their case very sensitively." (Reuters)

New Delhi Dissolves an Assembly

NEW DELHI — The central government dissolved the first state assembly governed by low castes because of political instability that has paralyzed it.

It was the second time the government in Uttar Pradesh, India's most populous state, has fallen since July.

President Shankar Dayal Sharma dissolved the 425-member State Assembly following the latest round of political instability. (API)

2 Are Killed in Karachi Violence

KARACHI — Two people were killed Sunday as Pakistan's commercial capital remained at a standstill during a strike called by the Mohajir Qaumi Movement, hospital officials said.

Both victims were found in the city's central district, one shot and strangled in a sack. Police said they had not been identified. (AFP)

VOICES From Asia

PRIME MINISTER TOMIOKA Murayama of Japan on France's third nuclear test on Friday: "We have repeatedly protested the testing . . . and we will again demand that the testing be stopped." (Reuters)

HUMAN RIGHTS WATCH, noting a series of violent attacks against journalists and opposition politicians in Cambodia in the past two months: "There is growing intolerance of criticism on the part of the government, which appears to have fostered an atmosphere conducive to such incidents." (AP)



Ask any news reporter who has spent years in the field which, of all the things they have witnessed in their long careers, was the most impressive.

We predict that they will not start

telling you about the coronation of a king, or the inauguration of a president. Instead they will recall a face, remember a person, perhaps from long ago, in a faraway place, who did something that stunned them.

Maybe it was an old woman who gave up her place on a refugee boat so that a mother and child could escape certain death. Or the dignity with which an ordinary family, confronted with the unthinkable,

endured famine, flood, disease or war. It might have been an act of insane courage, by someone whose name will never find a place in history books.

The history books are wrong. The real

history of the world is being enacted by millions of ordinary people right now.

History is happening all around us.

We have to get in there amongst it and report it as it happens. We set up CNN before your eyes.

CNN
INTERNATIONAL

FOR FURTHER INFORMATION ABOUT CNN INTERNATIONAL PLEASE CALL (LONDON) +44 171 290 8000, (PARIS) +33 1 44 95 15 80 OR (NEW YORK) +1 212 852 6956

EUROPE

U.S. and Russia Set Deal on Treaty

By Bradley Graham
Washington Post Service

WASHINGTON — Defense Secretary William J. Perry has reached "a meeting of the minds" with his Russian counterpart, General Pavel S. Grachev, on amending the treaty limiting conventional forces in Europe to allow Russia to keep more military equipment in some border areas.

Russia has been seeking changes in the 1990 treaty for more than two years, asserting

that some limits fail to take into account new borders and circumstances resulting from the Soviet Union's collapse in 1991.

After threatening earlier this year to ignore the treaty when new limits go into effect on Nov. 17, Russian officials recently signaled a willingness to negotiate. But Moscow has continued to insist on being allowed greater flexibility in moving and basing troops along its northern and southern flanks.

The Clinton administration

has hoped to avoid a fight with Moscow over the treaty. U.S. officials say the number of tanks, artillery pieces and other conventional weapons at issue in the border areas is not very significant militarily — representing about 4 percent of Russia's total.

But where Russia positions those troops — near the Baltic republics in the north or in Chechnya and throughout the Caucasus in the south — is a sensitive political issue in Europe, particularly for Norway

and Turkey. Moreover, any deal the Russians are able to work out will have ramifications for Ukraine, Poland and other treaty signatories desiring adjustments.

Mr. Perry cited Saturday's breakthrough on the Conventional Forces in Europe treaty as another sign of what he described as an increasingly close and productive working relationship with General Grachev.

"We came to a meeting of the minds between the United States and Russia on how to proceed on the CFE treaty on the issue which has been a problem — namely, the flank limits imposed by that treaty," Mr. Perry told reporters.

The agreement came somewhat unexpectedly, as the two men flew together to Washington after two days of touring military bases in the Midwest, where they witnessed the first U.S.-Russian peacekeeping exercise in the continental United States and jointly pushed a detonator blowing up a silo that once housed a Minuteman II intercontinental ballistic missile.

They also were able to announce some progress Friday in finding ways to incorporate Russian troops in policing and rebuilding Bosnia if a peace settlement is reached there.

Negotiated in the final days of the Cold War, the conventional forces treaty sets limits not only on the number of weapons that can be deployed in countries, but also on the number that can be deployed in specific border areas. The treaty requires the Russians to reduce military equipment levels in northern and southern regions from about 11,500 pieces to no more than 4,360.

The deepened spirit of cooperation between Mr. Perry and General Grachev was on display when they stood on the edge of a Missouri cornfield near Whiteman Air Force Base and, each with a finger on the detonator, set off an explosion that destroyed a Minuteman silo.

"The most reasonable path would be for elections in March," Mr. D'Alema said. "Since there is not the agreement to implement reforms, nobody is interested in trying to scrape along."

The dominant center-right

would oversee reforms and electoral change. Although Mr. Dini says he will resign before year's end, he is said to harbor ambitions to head such a government.

"We want to go to elections because they are the only way to have a real government," Mr. Berlusconi said.

Italy has had a government of nonpolitical technocrat ministers like Mr. Dini, a former central banker, since Mr. Berlusconi's government collapsed in December, nine months after winning the 1994 elections.

The next general election is due for three years. A Berlusconi ally, Gianfranco Fini, leader of the extreme-right National Alliance party,

scorned the idea of postponing elections, as did Massimo D'Alema, leader of the former Communist Democratic Party of the Left, which backs Mr. Dini.

"We want to go to elections because they are the only way to have a real government," Mr. Berlusconi said.

Italy has had a government of nonpolitical technocrat ministers like Mr. Dini, a former central banker, since Mr. Berlusconi's government collapsed in December, nine months after winning the 1994 elections.

The next general election is due for three years.

A Berlusconi ally, Gianfranco Fini, leader of the extreme-right National Alliance party,

scorned the idea of postponing elections, as did Massimo D'Alema, leader of the former Communist Democratic Party of the Left, which backs Mr. Dini.

"We want to go to elections because they are the only way to have a real government," Mr. Berlusconi said.

Italy has had a government of nonpolitical technocrat ministers like Mr. Dini, a former central banker, since Mr. Berlusconi's government collapsed in December, nine months after winning the 1994 elections.

The next general election is due for three years.

A Berlusconi ally, Gianfranco Fini, leader of the extreme-right National Alliance party,

BRIEFLY EUROPE



TRANSFER OF POWER — The outgoing Portuguese prime minister, Aníbal Cavaco Silva, center, nearly fainting during the swearing-in ceremony of his successor, António Guterres, in Lisbon. He stayed through the ceremony.

being a member of Germany's Red Army Faction terrorist group and is the wife of the Italian Red Brigade member Sandro Padula, was about to take a train for Germany.

She is suspected by the French police of having been a member of the group that attacked the offices of the weekly *Al Watan Al Arabi* near the Champs Elysées in Paris in 1982. One person died in the attack and 63 were wounded. (AP)

Calendar

European Union events scheduled for Monday:

LUXEMBOURG: EU foreign ministers meet to discuss trans-Atlantic relations, the Euro-Mediterranean conference in Barcelona and aid for the reconstruction of the former Yugoslavia.

LUXEMBOURG: The association council meets to discuss the customs union between Turkey and the Union.

LUXEMBOURG: Council of EU research ministers.

LONDON: Yves-Thibault de Silguy, commissioner for monetary issues, meets with Adair Turner, managing director of the Confederation of British Industry, and British financial leaders.

Sources: Agence Europe, AFP.

Berlusconi Pushes for Elections

Fretting at Reform's Pace, Parties Back Early Vote

Reuters

ROME — Former Prime Minister Silvio Berlusconi and his political enemies united in agreement Sunday, saying Italians should go to the polls once the 1996 budget is approved rather than wait for Parliament to decide on political reforms.

Mr. Berlusconi, having failed to topple Prime Minister Lamberto Dini's center-left government in a no-confidence vote Thursday, again called for a general election to be held as soon as possible.

He said in an interview on Italian RAI television late Saturday that the center-right was absolutely against any proposed government of national unity, or *governissimo*, that

would oversee reforms and electoral change. Although Mr. Dini says he will resign before year's end, he is said to harbor ambitions to head such a government.

"We want to go to elections because they are the only way to have a real government," Mr. Berlusconi said.

Italy has had a government of nonpolitical technocrat ministers like Mr. Dini, a former central banker, since Mr. Berlusconi's government collapsed in December, nine months after winning the 1994 elections.

The next general election is due for three years.

A Berlusconi ally, Gianfranco Fini, leader of the extreme-right National Alliance party,

Our strategy to grow with our customers has made us the largest foreign bank in the USA.



IN 1941 WE OPENED AN OFFICE IN NEW YORK TO SERVE OUR CUSTOMERS IN THE USA.
TODAY WE SERVE THEM FROM 187 OFFICES THROUGHOUT THE COUNTRY AND FURTHER SUPPORT THEM WITH 62,181 PEOPLE,
IN 1656 OFFICES, IN MORE THAN 300 CITIES, IN 65 COUNTRIES WORLDWIDE.

FOR MORE INFORMATION CONTACT MARKETING MANAGEMENT, MR. BOB VAN GESSEL, SR. VICE PRESIDENT, TEL (31-20) 6294714, FAX (31-20) 6295820.

ABN·AMRO · The Network Bank™

INTERNATIONAL

A Hopeful Mideast Summit

Unfinished Business Overshadows Talks

By John Lancaster
Washington Post Service

AMMAN — Statesmen and business leaders convened here Sunday for an American-backed conference aimed at breathing life into a new vision of the Middle East, where countries make deals instead of war.

But the opening day of the three-day regional economic summit was at least partly overshadowed by continued concern among Arab delegates about the unfinished business of Middle East peace, including stalled talks between Israel and Syria and Israel's presumed stockpile of nuclear weapons.

The U.S. secretary of state, Warren M. Christopher, set the tone for the meeting between Israel and many Arab countries, declaring in his speech during opening ceremonies that "agreements between governments are the basis of peace" and adding that "the reality of peace is found in deeds, not words."

To that end, he urged the participants — including Israel and most Arab countries except Iraq, Libya, Lebanon and Syria — to speed up efforts at cross-border cooperation in fields such as tourism, water resources and trade that began with a similar gathering last year in Casablanca.

Mr. Christopher noted that some countries already had begun to reap the benefits of peace, citing as an example Jordan, where tourism revenues have doubled since it concluded a peace deal with Israel last year. U.S. officials also disclosed new details of an American-backed plan to establish a regional development bank, headquartered in Cairo and aimed at stimulating private investment in the region.

The meeting at a sprawling conference center here has drawn representatives of about 60 countries and more than 1,000 businesses, including major multinational firms such as Sprint and Nestle. But despite the emphasis on peace and prosperity, the mood of the conference is not entirely upbeat.

Negotiations between Israel and Syria are deadlocked over Syria's insistence on the return

of the Israeli-occupied Golan Heights.

Mr. Christopher will stop in Damascus on Monday to discuss ways of breaking the deadlock with President Hafez Assad of Syria, but U.S. officials have played down expectations for a breakthrough.

Many Arab countries, moreover, remain wary of forging ties with Israel before there is a comprehensive peace, fearing that to do so would deprive Arab negotiators of the leverage they need to wrap up a fair settlement.

Egypt, in particular, has reacted coolly to American pressure to "normalize" relations with Israel, and the speech Sunday by Egypt's foreign minister, Amr Moussa, did little to improve the atmosphere.

Mr. Moussa said that it was impossible for any "Arab to imagine a final solution, or a comprehensive peace, without setting up an independent Palestinian state, without total withdrawal from Lebanese and Syrian lands" and without agreements that guaranteed a region free from weapons of mass destruction.

Speaking in Arabic, Mr. Moussa used a derogatory expression to accuse some Arab members of moving with "unseemly haste" to conclude peace deals. Mr. Moussa's comments were widely understood by those in the audience as a dig at his Jordanian host, King Hussein, who among Arab leaders has moved fastest to capitalize on peace with Israel.

King Hussein apparently did, too. In extemporaneous remarks at the close of the opening session, King Hussein said with visible irritation that "Jordan was in the vanguard of those who sacrificed blood and lives" in the Arab cause. If Jordan's efforts to cooperate economically with Israel constitute "rushing in," the king said, then Egypt did the same thing 17 years ago when it became the first Arab country to make peace with Israel.

The U.S. Congress also intruded on the proceedings. Yasser Arafat, the PLO chairman, said Congress' recent vote to require the moving of the U.S. Embassy from Tel Aviv to

Jerusalem by 1999 would "destroy" the peace process. Both Israel and the Palestinians claim Jerusalem as their natural capital.

Mr. Arafat devoted much of his speech to pleas for economic and development assistance to newly autonomous Palestinian zones in the West Bank and Gaza strip, a theme echoed by the Israeli President, Yitzhak Rabin, who listed "the economy and quality of life" as the region's main priorities.

It swims against the tide in opposing plans to crack down on hateful computer speech, amend the Bill of Rights to allow school prayers and broaden

police power in response to the Oklahoma City bombing.

"Here we are, actors in a rerun, with all the rights won in previous decades threatened again," the ACLU said in its most recent annual report.

The ACLU has its champions — people who say the price of liberty is eternal vigilance. But its critics say the ACLU is increasingly irrelevant or trigger-happy in defense of the U.S. Constitution.

Short Takes

The U.S. Naval Academy is considering a more stylish look for its female midshipmen. Women were first admitted 20 years ago. Senator Barbara A. Mikulski, Democrat of Maryland, says of the present outfit, "They're

modeled on 1940s airline stewardess uniforms." This fall, Annapolis had the largest entering class of women yet — 196, or 17 percent. Some of the women's long-standing complaints: White, cotton-polyester trousers reveal panty lines as well as the shirttails tucked inside. Caps with upturned brims make tall women stick out in a crowd. And straight-cut, flat-front trousers seem to shorten the legs and widen the hips.

About People

In a twist on Halloween costumes, The New York Times Magazine is running pictures of writers dressed up as their favorite literary characters. Norman Mailer put a bandage over his left eye and stuck an ornate knife in

his belt to play Captain Ahab, from Herman Melville's "Moby Dick." Joyce Carol Oates dressed as Emily Dickinson and John Irving as Abel Magwitch, the convict in Charles Dickens's "Great Expectations."

In 1984, right after Ronald Reagan's re-election, the "Doonesbury" cartoonist Garry Trudeau had a character exclaim, "What if one day my kid wakes up in a country run by Newt Gingrich?" At the time, Mr. Gingrich was an obscure congressman. Ten years later, he became speaker of the House, and to many commentators, the most powerful man in the country. Mr. Trudeau claims no powers as a clairvoyant. "I evoked his name strictly for comic effect," he told The New York Times. International Herald Tribune.

In Telephone Fiasco, a Canadian Joker Trumps the Queen

By Fred Barbash
Washington Post Service

LONDON — It's not nice to play a joke on the queen. And there was a time when anyone who tried would have gone straight to the Tower of London — or worse.

But no such fate awaits the smartaleck Canadian disc jockey who posed a

joke on the queen. And there was a time when anyone who tried would have gone straight to the Tower of London — or worse.

"I would like very much to help," she said. Palace officials discovered the call was a hoax when they telephoned Mr. Chrétien's office asking where the fax was. There was no fax.

The disc jockey, a young separatist named Pierre Brassard, has made his name with such hoaxes. His victims

have included the actress Brigitte Bardot and, yes, Pope John Paul II — and he is considered a skilled mimic. He notified Buckingham Palace earlier to expect a call from Mr. Chrétien, and

when the palace tried to verify the call in advance, they could not reach top aides to Mr. Chrétien; instead, they got low-level aides who assumed it must be all right and told the palace so. So when the phone rang in London, the queen answered.

Here are a few excerpts from the broadcast exchange:

Queen: "Hello."

Mr. Brassard: "Oui, hello."

Queen: "Ah, prime minister."

Mr. Brassard: "Your majesty, I am really stressed out these days."

Queen: "I'm sure you are. ... We've been following it with great interest."

Mr. Brassard: "The Canadian political situation is very critical."

Our latest polls are showing that the

separatists are going to win the referendum on the independence of Que-

bec."

Queen: "Well, it sounds ... as though the referendum may go the wrong way."

Mr. Brassard: "But we still have some hope ... We deeply believe that should your majesty have the kindness to make a public intervention, we think that your word could give back to the citizens of Quebec the pride of being members of a united country."

Queen: "Um, I mean, I know I have said ... I have said whilst I have been in Canada ... I have tried to give the same message, Um."

Mr. Brassard: "So. Do you think you can tell that on national television?"

After conferring briefly with an adviser — "What shall I say?" — she returned to the phone, saying "Do you think you could give me a text of what

you would like me to say?"

Mr. Brassard: "Sure, sure."

Queen: "Could you fax me a text and I can get back to you this evening."

She did seem to grow a little suspicious when the "prime minister" suggested that she could edit the text as pleased.

The British monarch generally reads whatever a Commonwealth prime minister tells her to read, exactly as written.

"You don't mind doing that?" she asked, somewhat incredulously.

"There's no problem," responded Mr. Brassard, who then went on to ask her about the "Halloween atmosphere" in England at the moment.

"You are not going so far as to wear a costume?"

"No, no," she laughed.

White House Debated Lifting Sanctions on the Serbs

By Elaine Sciolino
New York Times Service

WASHINGTON — Days before Bosnian peace talks are to begin in Ohio, the Clinton administration became embroiled in a debate over a State Department proposal, ultimately rejected, to suspend most economic sanctions against Serbia as a way of encouraging progress in the talks, senior administration officials say.

Richard C. Holbrooke, the chief American negotiator last

week that the United States press for a UN Security Council resolution to suspend most of the sanctions. But Madeleine K. Albright, the American representative to the United Nations, argued at the White House that such a move was unwise because President Slobodan Milosevic of Serbia had not yet

made peace.

Moreover, Mrs. Albright contended, it would be logically impossible because other Security Council members needed to be consulted well in

advance before the lifting of the

sanctions, the officials said.

According to a senior American official, Secretary of State Warren M. Christopher supported Mr. Holbrooke's recommendation, arguing that at times one must suspend punitive conditions as a bargaining chip.

Secretary of Defense William J. Perry expressed some discomfort with the proposal, but said he would defer to Mr. Holbrooke's judgment.

The sanctions would have been suspended for the duration of the peace talks, and would have been reimposed if the oe-

giations failed to bring a settlement, officials said.

Mr. Holbrooke finally withdrew the recommendation at a meeting of President Bill Clinton's national security advisers Friday because of the depth of opposition both in the administration and in the Bosnian government, senior officials said.

The recommendation did not reach Mr. Clinton, a senior official said.

■ Testing Bosnia Roads

The first buses rolled along a main road west out of Sarajevo

under UN escort Sunday but a bridge was not opened as hoped, in a sign of the painstakingly slow steps toward normality in the city, news agencies reported from Sarajevo.

The buses left Sarajevo as neighboring Croatia began choosing a new Parliament in elections in which thousands of ethnic Croats in Bosnia are allowed to vote under a Zagreb policy that has been assailed both by the Bosnian government and the Croatian opposition.

Meanwhile, talks stalled

over the return to Zagreb of Eastern Slavonia, the last piece of Croatia still held by Serbs.

Mediators, however, said the issue would be brought up during the negotiations toward a final settlement of the Balkan conflict that start Wednesday in Dayton, Ohio.

In addition, Croatian radio said Sunday that the historic port city of Dubrovnik came under artillery fire from Serbian positions in Bosnia, and the Bosnian Serbian Army reportedly fired from Croatian artillery in the area. (Reuters, AFP)

We know why more and more people reschedule their travel plans in Europe and switch to Swissair. They've discovered the caring service in our unmatched Business Class.

swissair

INTERNATIONAL

Asians Condemn Latest Atom Test French Shrug Off Attacks

Compiled by Our Staff From Dispatchers
TOKYO — Japan summoned the French ambassador again to protest the new nuclear test in the Pacific, the third of the current series that France says will be its last before signing a comprehensive test ban treaty next year.

Other governments in the Pacific were preparing similar action as France shrugged off the objections that included those of some of their European neighbors.

Prime Minister Tomiichi Murayama of Japan said Friday's test was "very regrettable." He said, "We have protested several times. It is very regrettable."

For the Social Democratic Party, a protest was not enough. "We are asking the government to take strong measures, including recalling the Japanese ambassador to France," the party's secretary general, Wataru Kubo, was quoted by Kyodo news agency as saying. Another segment of the governing coalition, the New Party Sakigake, also urged the recall.

New Zealand will make a formal protest Monday when the Foreign Minister Don McKinnon calls in Ambassador Jacques Le Blanc.

In Australia, Prime Minister Paul Keating said, "France continues to seriously damage its international reputation by its actions in the face of world opinion."

The Philippines added its strong condemnation and said it would summon the French ambassador to express its outrage. President Fidel V. Ramos said the latest test "wilfully ignores worldwide condemnation."

"Few instances in history can rival the sheer arrogance, insensitivity and lack of concern of the French government," Foreign Secretary Domingo Siazon said in a statement.

South Korea conveyed its sense of "deep regret" over the test, which had the force of 60,000 tons of TNT.

The New Zealanders and Australians, in addition to blaming the French, are also preparing to confront Prime Minister John Major of Britain for condoning the French action.

Ralph Willis, Australia's treasurer and a senior cabinet minister, warned that Mr. Major could be isolated at the 52-nation Commonwealth meeting in New Zealand next week because of remarks he made on the French tests.

"I would think that Mr. Major would be totally out of line with most of the other nations in the Commonwealth, and certainly the host nation New Zealand, which has been very strongly against nuclear testing with us," Mr. Willis said.

In Britain, anti-nuclear protesters on Sunday draped banners on hedgerows leading to the prime minister's country residence, Chequers, in advance of the arrival of President Jacques Chirac of France for a two-day meeting.

For anti-nuclear activists, the trip was a chance to protest about both France's resumption of nuclear tests in the Pacific and the publicly supportive attitude of Britain's Conservative government.

Belgium, meanwhile, lent its voice to the chorus of criticism.

"The Belgian government notes with great regret the third French nuclear test in the Pacific," the Foreign Ministry said in a statement.

(AP, AP, Reuters)



British police watching a nuclear test near Prime Minister John Major's house in Chequers on Sunday, shortly before the arrival of France's president, Jacques Chirac.

Russia Bars Reformers From December Vote

Reuters

MOSCOW — The Central Electoral Commission on Sunday barred Russia's leading reformist party from the Dec. 17 parliamentary elections, dealing a severe blow to the democratic movement.

The commission ruled that the Yabloko group of a popular economist and politician, Grigory Yavlinsky, had violated the rules by dropping at least six candidates from its election list against their wish.

The commission rejected Yabloko's application for registration, making it the third group to be barred from the election. "We understand the degree of our responsibility," said Nikolai Ryabov, chairman of the commission. "We understand that a big electorate is lost but we must stand by the law."

Speaking at a commission meeting, Mr. Ryabov said he had warned Mr. Yavlinsky and asked him to fix the irregularities in the

documents but that the politician had ignored his warnings in a "high and mighty" manner.

Mr. Yavlinsky's personal popularity is one of the highest in the country and he is a likely candidate for the presidential election scheduled for 1996.

Opinion polls have regularly shown Yabloko far ahead of any other liberal group. The group may appeal in court but its chances seemed thin.

In Kobe, the Forgotten Few But City Has Been Revitalized After Quake

By Nicholas D. Kristof
New York Times Service

KOBE, Japan — Camping is one thing, but Akemi Honda has been living in a tent for more than nine months, and the view out front is not of a majestic mountain vista but a muddy school playground surrounded by buildings.

Mrs. Honda and her family were among the 300,000 refugees who lost their homes in the earthquake that shattered the port city of Kobe in January, killing 6,055 people.

In most respects, Kobe has made a stunning recovery, and it is possible in some areas to look around without seeing any signs of the quake. Yet while the refugee centers have closed and the port has reopened, Mrs. Honda and hundreds of other people are still stuck in lean-to tents.

"The government isn't helping us any more, and the volunteer workers have all gone home," said Mrs. Honda, 50, sitting in the "kitchen" area of her lean-to. Rain pattered on the awning overhead and dripped through in places, while her 29-year-old son lay snoozing on the floor.

Mrs. Honda said her apartment building was scheduled to be refurbished and made habitable by the end of the year, so she hopes to go home soon. Another family that lives with a dog in the same school, in a room that they commanded, has also found a new home, so the refugee population in the school will drop to just three families.

Compared with the initial devastation after the earthquake, the progress seems almost miraculous. Rail and subway service has been restored, the harbor is regaining its capacity and most of the rubble has been carted away.

To be sure, a leaning house occasionally topples over onto a road or a teetering shop collapses onto a sidewalk. But Kobe residents blithely walk around the obstruction.

The earthquake is estimated to have caused \$10 billion in damage, and it will be almost a decade before Kobe is entirely

rebuilt. But officials assert that the city will then be better than ever, partly because planners have taken advantage of the catastrophe to widen roads a bit and add green spaces.

One tent resident, a middle-aged woman who would identify herself only as Mrs. Ari-

"The government isn't helping us any more, and the volunteer workers have all gone home."

moto, offered a less enthusiastic assessment. She is still living with her family in a tiny blue tent in a schoolyard, and the living conditions seem to have taken a toll.

"Everything is a nuisance," Mrs. Arimoto said, but she added that she had no plans to leave. The authorities have offered her a temporary home, but it is an hour away.

"We can't live there," she

insisted. "How could we get to work?"

The government has built more than 25,000 temporary huts for homeless families, but hundreds of people remain in tents or school buildings because they complain that the temporary homes are inadequate.

Some spaces are opening up, in a morbid way, because death rates are high in the temporary homes.

Many of the occupants are elderly people who remain disoriented from the quake, and the local newspapers are full of reports of such people dying or even committing suicide.

Takeshi Nakane, 60, is a trading company employee who has lived in a tent on a strip of grass since the earthquake. He scraped together enough cash to put down payment on a \$165,000 prefabricated house that is going up on the site of his former home.

"We want to move in as soon as possible, probably in December," Mr. Nakane said, beaming. "It's already getting very cold at night here in the tent."

Free Lunch

Apply now for a 5-day free trial subscription to The Wall Street Journal Europe.

The Wall Street Journal Europe provides a diet of concise, substantive news, edited in the heart of Europe with the European businessperson, investor and professional mind.

For a 5-day free trial, without obligation call one of the numbers below:

Belgium: (02) 741 1234 France: (01) 4255 6592
Germany: 0130 82 22 62 UK/Ireland: 0181 944 1300
The Netherlands and all other countries: (3145) 5761 240

Bon appetit.

THE WALL STREET JOURNAL EUROPE

We Make the World Your Business

Family relationships are very special; unique bonds between people. Something that we at LG are dedicated to emulating through our relationship with our customers. LG is the new name for the Lucky-Goldstar Group. A new name, but the same emphasis on what we do best - utilizing the most advanced technology to create products that enrich your life, making it healthier, safer, more comfort-

able and more satisfying. Our philosophy remains to provide complete satisfaction to our vast family of customers in over 120 countries around the world, through technologically advanced products of the very highest quality. Satisfaction has a new face.

And LG is ensuring it wears a smile.

LG

Chemicals & Energy • Electronics • Semiconductors • Machinery • Metals • Trade & Services • Finance

CAREERS

Wellesley Graduates Have a Way of Shattering the Glass Ceiling

By Judith H. Dobrzynski
New York Times Service

Detroit and cars, Hollywood and films, Silicon Valley and chips. It is hard to think of one without the other. Here is another link in the business landscape: Wellesley, Massachusetts, the home of Wellesley College, is synonymous with top-level executive women.

More than any other college — large or small — Wellesley has groomed women who shatter the glass ceiling. Wellesley women take up far more seats in executive suites and corporate boardrooms than their numbers suggest they should have.

They are overrepresented, too, at such places as the Harvard business school, a fountainhead for occupants of America's corner offices.

To cite just a few of Wellesley's major achievers, there is Lois D. Juliber, '71, president of Colgate North America; Eleo R. Marra, '68, president of Seagram Beverage Group; Shirley Young, '55, a vice

president of General Motors Corp., and Marion O. Sandler, '52, co-chief executive of Golden West Financial Corp.

Influencing business policy, there is Alicia Munnell, '64, a top Treasury Department official recently nominated to the Council of Economic Advisers. And of course there's Hillary Rodham Clinton, '69, the once and future corporate lawyer and director.

Just how does Wellesley, a school of only 2,200 students, do it?

This good fortune was not planned, college officials said. In addition to bright students, Wellesley's outstanding record stems from a strong, popular economics department; a dynamic professor, Carolyn Shaw Bell, who taught at the college from 1950 to 1989; and programs that encourage networking among alumnae and between alumnae and students.

Wellesley, in fact, could be an inspiration to other colleges that want to help their graduates go where few women have gone before: into the business world's upper echelons.

Evidence for the Wellesley edge abounds, starting with the number of companies that look to Wellesley for executive women.

In 1994, 75 companies recruited at its leafy campus west of Boston, far exceeding the number at similar-sized elite colleges like Smith and Amherst.

Some executive recruiters say they sense that Wellesley women know how to succeed in business. "I have always felt this was true, and I've always said I want my two daughters to go to Wellesley," said Julie Daul of Spencer Stuart, an executive search firm.

Success, of course, breeds success. "There's a self-reinforcing mechanism at work in terms of student selection and faculty recruitment," said Victor Fuchs, an economist at Stanford University who wrote "Women's Quest for Economic Equality."

Indeed, many Wellesley women are now feeding the pipeline that leads to the executive office. All told, about a third of Wellesley's graduates go into the business

world, more than any other career. As an all-female school, Wellesley starts with an edge. Numerous studies show that graduates of women's colleges, compared with women graduates of coeducational institutions, develop higher levels of self-esteem and do better in their careers.

But when it comes to business, Wellesley still outdoes its rivals — a thought that raises hackles among some of them. "When you look around at the Seven Sisters, I think you'll find similar results," said Barbara Reinhold, director of the career development office at Smith.

True, of those elite traditionally women's colleges, Vassar can claim Geraldine Laybourne, president of the Nickelodeon network, while Smith can boast of Rochelle B. Lazarus, president of Ogilvy & Mather North America, and Laura D'Andrea Tyson, director of the White House's National Economic Council. Columbia's Barnard College has Phyllis Grann, chief executive of the Putnam Publishing Group.

Yet none of these colleges — nor any other college or university — has produced proportionately as many corporate women in high positions as Wellesley. Neither Smith nor Barnard nor Radcliffe produced a list that matched Wellesley's.

Wellesley's president, Diana Walsh, cannot explain precisely how Wellesley came to produce graduates who ascend to jobs like senior vice president of the Federal Reserve Bank of New York (Margaret Yeo, '64) and executive vice president of Bloomingdale's (Christine Miller, '66).

Ms. Walsh cited the school's past as the key ingredient. "Wellesley has a history of women's rights, a culture of women struggling to succeed in a man's world," she said.

Many graduates agreed that Wellesley's culture influenced them mightily. Many also credited the grounding they got at Wellesley's economics department, which was recently ranked No. 2 (according to the traditional standard, published citations of its members' academic work), behind Williams, among the liberal arts colleges in a study by Michael Robinson of Mount Holyoke College. Ms. Bell has retired, but the department still has widely respected teachers like Marshall Goldman.

Wellesley also tries to expose students to the business world. Ten years ago, it started a program called "Wall Street Warm-Up." It takes 20 to 30 students a year to Manhattan, stationing each with a Wellesley graduate in a brokerage or bank.

Whether it is for their first job or years later, Wellesley graduates use these contacts. Some networking is formal, through the Business Leadership Council, which began as a forum for busy graduates to help the school, but quickly became a place where members compared notes about work.

But much more of this power-networking is informal, a matter of keeping in touch. No wonder, then, that Wellesley graduates keep turning up in corporate circles. Because few colleges have picked up on Wellesley's bottom-line success, Wellesley may well remain a mother lode of executive women for a while to come.

INTERNATIONAL RECRUITMENT

IRRI INTERNATIONAL RICE RESEARCH INSTITUTE Manager IRRI Computer Services

The International Rice Research Institute (IRRI) is seeking candidates for a Manager of Computer Services (CS).

IRRI is a member of the Coosurative Group on International Agricultural Research (CGIAR), a donor consortium including the World Bank, FAO, and UNDP. It is a nonprofit, autonomous organization engaged in research and training on rice-related technology with headquarters located in Los Baños, the Philippines, 65km south of Manila. IRRI scientists work in partnership with agricultural research institutions in major rice-growing countries worldwide.

Computer Services, with a staff of 10, operates a DEC-VAX cluster, an IBM ES-9000, and a DECNET-based local area network (LAN) with 500 PC nodes. There is also a wide area network with X.25 and TCP/IP connectivity and a 64kbps dedicated link to the CGIAR Integrated Voice and Data Network. CS is involved in database development using Oracle under DB2. It supports PC solutions under Windows using Microsoft Office as well as specialist applications.

The manager of CS advises management on all aspects of information technology relevant to the present and future needs of the Institute. The manager recruits and develops CS staff; inspires team spirit, a service ethic, and technical competence in the group; and maintains and develops network and communication services through innovative responses to information management needs and through improved communication and networking with posted staff and collaborating research institutes.

Candidates should have a degree in computer science, information technology, or related discipline. They should have 5 to 10 years experience in management of computer facilities including the design implementation, and support of LANs. Fluency in spoken and written English is essential. Experience with VAX/VMS systems and DECNET/Pathworks, TCP/IP, and X.25 multiprotocol networking is an advantage.

This position is located at the Institute's headquarters. Salary and conditions of service are internationally competitive. The Institute provides a gender-sensitive work environment and particularly welcomes women applicants. Send a comprehensive curriculum vitae and names, addresses, and fax numbers of three referees by 15 November 1995 to:

Dr. George Rothchild
Director General
International Rice Research Institute
P.O. Box 933, Manila 1099, Philippines.
Tel.: (63 2) 818-1926, Fax: (63 2) 891-1292
Email: G.ROTHSCHILD@CGIAR.COM

Please refer to Code IR-CS-004

unicef United Nations Children's Fund

The United Nations Children's Fund, with Headquarters in New York and offices throughout the world, seeks qualified candidates for the following position:

DIRECTOR, OFFICE OF INTERNAL AUDIT Duty Station: New York, USA (Level: D-2)

Responsible for establishing policies for the auditing activity and directing its technical and administrative functions. Develops and oversees a comprehensive audit programme for the evaluation of financial management and internal control systems used by UNICEF. Examines the effectiveness of all levels of management in their stewardship of UNICEF resources and its compliance with established policies and procedures. Reviews procedures and records for their adequacy to accomplish intended objectives, and appraises policies and plans relating to the activity or function under audit review. Appraises the adequacy of action taken by operating management to correct reported deficient conditions, contains reviews with appropriate management personnel on action considered inadequate.

Minimum Qualifications: Advanced university degree or equivalent professional qualifications in accountancy or business/public administration. Specialized training in auditing and accounting, and a minimum of 10 years of progressive experience in management and financial auditing, preferably with non-governmental organizations experience in management reviews and consultations; work or travel experience in developing countries. Fluency in English and one other United Nations working language essential. Good managerial and communication skills required. UNICEF, as part of the United Nations common system, offers competitive international salaries, benefits and allowances. Please send detailed resume, in English, quoting reference number D-2 to: Recruitment and Placement Section (SDR), UNICEF, 3 UN Plaza (H-57), New York, NY 10017, USA.

Applications for this position must be received by 14 November, 1995. Acknowledgement will be sent only to shortlisted candidates.

UNICEF is a smoke-free environment

NOTE: Applications by female candidates are especially welcome.

PROMOTIONAL SALES EUROPE

ANAGRAM is the leading manufacturer of mylar balloons in the world with headquarters in the U.S.A. Our products are sold worldwide in over 50 countries. We are seeking a world class Sales Professional to develop a European market for Anagram custom balloons by calling on all types of industries that would use balloons as a way to advertise or promote their products. This key position is based in the company's European headquarters in Hertfordshire, U.K. If you are seeking a new challenge and an opportunity to work in a fun and profitable business, this position will interest you. The successful candidate will have at least 3 years of progressive consumer product experience in Europe and will speak at least three major languages.

We offer an outstanding compensation, bonus, and benefits package. Qualified applicants should immediately send their resumes to:

Lisa Gibson, Manager of Corporate Sales
ANAGRAM INTERNATIONAL, INC.
7700 ANAGRAM DRIVE
MINNEAPOLIS, MINNESOTA U.S.A. 55447

ANAGRAM
INTERNATIONAL, INC.
MORE PEOPLE CHOOSE ANAGRAM



**European Bank
for Reconstruction and Development**

EBRD's London-based Office of the General Counsel seeks (m/f):

Counsel

The European Bank has a unique challenge: to assist the countries of central and eastern Europe and the former USSR in their transition to market economies. The European Bank supports projects through lending, taking equity positions and providing technical assistance.

EBRD's Office of the General Counsel (1) handles all legal aspects of the Bank's lending and investment transactions, (2) handles all legal aspects of the Bank's finance operations, including the Bank's borrowings, liquid asset investments and derivative transactions, (3) provides legal advice for institutional, administrative and personnel matters, and (4) implements a legal technical cooperation programme to support the legal transition process in the countries of Central and Eastern Europe.

Along with a competitive compensation and relocation package, we offer action and achievement in a truly historical enterprise.

To apply, please write in English quoting reference number HT1095 to:

Mr Ernst Maehl, Principal Manager - Human Resources, European Bank for Reconstruction and Development, One Exchange Square, London EC2A 2 EH, England.

All applications will be acknowledged. Please help us by not telephoning.

VARIETY

VARIETY, the Los Angeles-based entertainment business paper, is looking for reporters to cover Germany and Scandinavia. Fluent English and journalistic experience essential. Knowledge of the film and TV business a big plus.

Please send C.V. to:
Adam Dawtrey in London
Fax: 44 (0) 171-636-3981

THE OBEGI GROUP, A MAJOR CHEMICAL DISTRIBUTION ORGANIZATION IN THE MIDDLE-EAST, IS LOOKING FOR A PRODUCT LINE MANAGER

• Profile: mobile, dynamic, good people-skills, minimum ten years of work experience. Knowledge of chemicals (coatings and/or plastics) and fluency in English are a must. First-hand knowledge of Middle-Eastern market is a strong plus.

Academic Background: Chemical Engineering

Based In: Brussels, Belgium

Attractive salary and benefit package.

Please send your C.V. in English to:

Western Chemical Company S.A.

Attn: Mr. Yordan OBEGI

44 Avenue des Arts, 1040, Brussels, Belgium

Fax: 32-2-511-9009

ADMINISTRATIVE SECRETARIAL POSITIONS

A GRENOBLE, grand groupe européen cherche pour son Directeur une ASSISTANTE DE DIRECTION ref. 510430

de langue maternelle anglaise, bilingue français et experte en bureautique. Ouvre les lettres classiques de son secrétariat, l'organisation de ses voyages et la réception des clients, elle assistera ses adjoints ponctuellement.

Venez valoriser vos compétences dans notre environnement High-Tech, international et élégant.

Envoyez à Christine JAULMES - MENWAY Consultants

25, rue Pierre Semard - 38000 GRENOBLE (France)

ESCIEN

SECRETARIAL POSITIONS AVAILABLE

MEN WAY

International Company in Paris Bte. 5-6-7-8-9

SECRETARY BILINGUAL ENGLISH/FRENCH

For inquiries and

Companies Insurance Contracts.

Interviews: 63 rue de Provence

75007 Paris

SECRETARIAL POSITIONS AVAILABLE

EDUCATIONAL POSITIONS AVAILABLE

TRAINING CENTER PARIS ETOILE

seeks American language teachers (part-time) for business, computers, French, English, dynamics, literature, dramatics, psychology, geography, history, politics, etc.

For further information, contact: Mrs. Anne-Marie LEBRUN

10, rue de la Paix, 75001 Paris, France

TELEPHONE: 01 43 61 33 54

EDUCATIONAL POSITIONS AVAILABLE

SECRETARIAL POSITIONS AVAILABLE

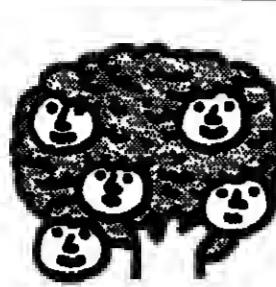
BOOKS

WHAT THEY'RE READING

• Barry Lando, "60 Minutes" producer, is reading "From Generation to Generation: How to Trace Your Jewish Genealogy and Personal History" by Arthur Kurzweil.

"I am currently tracing my family tree back hundreds of years and am enjoying reading about someone else's experiences in finding their roots throughout Jewish history."

(Nancy Torniglione, IHT)



THE HUNDRED SECRET SENSES

By Amy Tan. 358 pages. \$24.95. Putnam.

Reviewed by Francine Prose

READING "The Hundred Secret Senses," fans of "The Joy Luck Club" and "The Kitchen God's Wife" will have the pleasurable sensation of settling down to hear a favorite storyteller tell a brand-new story with reassuring echoes of narratives they have already come to love.

Amy Tan's third novel contains many of the themes and fictional elements that we associate with her work. Ghosts and dreams issue warnings, make requests and give advice, while the panorama of Chinese history, legend and mythology is used as a backdrop against which Tan's characters play out complex and painful dramas of contemporary Chinese American domestic life.

Olivia Yee Bishop, the novel's heroine, is a professional photographer in her late 30s, the daughter of a Chinese father and a warmhearted but distractible American mother. Olivia, who lives in San Francisco, is going through what's commonly called a messy divorce from Simon, her half-Hawaiian husband, a man who has never quite given up his attachment to Elza, a lover who died before he met Olivia.

Indeed, an unhealthy passion for ghosts seems to run in Olivia's family. Olivia herself sees spirits at crucial points in the plot. And her half-sister, Kwan, communes with the departed — a talent that her American relatives have misinterpreted as a form of mental illness.

Kwan's ability to recall past lives and slip back and forth between the realms of the living and the dead enables Tan to introduce a secondary narrative into the larger novel: the story of Kwan's previous life among American missionaries in China during the second half of the 19th century.

Just before their marriage ends in a dismal swamp of familiarity and fatigue, Olivia and Simon decide to go to China to write an article for a travel magazine.

They are already separated when the magazine approves their proposal, and Kwan, whose refusal to accept the inevitability of divorce causes her to function as a sort of matchmaker, after-the-fact pressures the couple into going anyhow, with Kwan as a loopy tour guide on a journey back to her

origins. The peregrinations of this peculiar trio constitute the book's final section and provide a suspenseful and climactic resolution.

One hardly needs to point out that Amy Tan is an immensely talented writer, and this novel reminds us of her gift for compressed and interpolated narrative, her intelligence and wit; Olivia's mother's serial romances with an array of exotic men are particularly amusing.

But at moments "The Hundred Secret Senses" seems, like Kwan, slightly unmoored and impaired. Aspects of the novel are undeveloped. Minor characters are only lightly sketched in, for example, Kwan's husband, though the reader may wonder what kind of man would marry a woman who cohabits so closely with the dead.

What's more problematic is that the two central characters are, for all their extravagancies, not very interesting. Though Kwan's account of her time among the missionaries is articulate enough, her English is limited to a baby talk that the novel transcribes at taxing length and that readers may find themselves skimming over:

"My hair sooo bea-yon-tiful, shiny-smooth like waterfall, slippery-cool like swimming pool. Now look. All that shock treatment, like got me bad home permanent."

Meanwhile, Olivia's insights suggest the sort of pop psychology more appropriate to slick magazines than to serious fiction: "And then I think about Kwan, how misplaced her love for me is. I never go out of my way to do anything for her unless it's motivated by emotional coercion on her part and guilt on mine. . . . I never take any pleasure in simply being nice to her."

In the past, Tan has written with impressive lyricism, precision and energy. But here, too often, her language lapses into cliché, inexact metaphors and similes ("We listened patiently to Lester, words skittering out of his mouth like cartoon dogs on fresh-waxed linoleum, frantically going nowhere").

She can tell a story, and does so with such skill that many readers will not notice or mind this novel's flaws. But it's dismaying to watch a writer with Tan's gifts writing what is, for her, the equivalent of Kwan's raw, unpolished rush of baby talk.

Francine Prose, author of the novel "Hunters and Gatherers," wrote this for The Washington Post.

BRIDGE

By Alan Truscott

IN the quartfinal match of the Bermuda Bowl contest at the Marlboro World Championships, Chinese supporters watched as their young team played brilliantly against an experienced French squad.

The diagramed deal produced the heartbreak for China, which was close to reaching world open semifinal for the first time. Both South players opened one no-trump, and in one room Philippe Cronier of France stretched his values by raising to game with the North hand. When the heart jack was led and ducked to his king, his partner, Michel Lebel, had only one chance. He led to the diamond queen, finessed the club jack, and emerged with 10 tricks when the finesse won and the suit divided 3-2. That was a success.

In the replay, the Chinese North raised just to no-trump and the bidding ended. When the heart jack was led to the king as before, the declarer had a different problem.

Playing in the same fashion as the French declarer would have made the contract and held the

loss to 6 imps. In that case, China would eventually have won the match by one imp and advanced to the Bermuda Bowl semifinal. But he was trying to make eight tricks, and led a spade. This was the right theoretical play, producing eight tricks whenever the hearts were divided 4-3. If he had been an exact tie, but the French East quickly took six tricks to defeat the contract, and France gained 10 imps.

NORTH
♦ Q J 6
♦ 8 5 3
♦ Q 2
♦ K 8 6 5 3

WEST
♦ 7 5 4 3
♦ J 10
♦ 8 7 6 5 4
♦ 9 9
♦ Q 7 4

EAST
♦ A K 8
♦ V A Q 9 4 2
♦ 9 3
♦ 8 7 6 5 4
♦ 9 9
♦ Q 7 4

SOUTH (D)
♦ A 9 8 2
♦ V K 7 8
♦ Q A K J 10
♦ A J 2

Neither side was vulnerable. The bidding:
South: 1 N.T.
West: Pass
North: 3 N.T.
East: Pass

West led the heart jack.

HOLIDAY SHOPPING

To place an ad or for additional information on
MAILED FROM AMERICA
Please contact: Sandy O'Brien
International Herald Tribune
850 Third Avenue,
New York, NY 10022 USA
Tel: 212-755-3890
Fax: 212-755-8785

DISCOUNT UP TO 30%
On selected US Book in Print
mid-west mail order service
NEW WORLD BOOKS
2 Cedar Road - P.O. Box 878
Suffern, NY 10591
914-354-1600 - FAX 914-354-1936
E-mail address: newworldbooks@aol.com

TO OUR READERS IN HOLLAND
It's never been easier to subscribe
for more information just call
020 673 0757

A Checkup for Foreign Drug Firms

By Christopher Drew
New York Times Service

WASHINGTON — As the American medical system rushes to control costs, imports of discount drugs and their ingredients are rising. That is causing concern about how well foreign manufacturers meet U.S. standards aimed at preventing toxic contamination and poor quality.

Over the past three years, the Food and Drug Administration has doubled the number of its inspections at foreign plants, and it has been rejecting or detaining more products.

In the past year alone, the agency has found serious manufacturing deficiencies, from contaminated water supplies to lax quality controls, in 35 percent of its overseas inspections and in countries as varied as Switzerland and China, compared with 19 percent a decade ago.

"I'm not so sure FDA has the manpower. The trade is expanding quicker than their ability to respond to it."

Ronald G. Chesemore, the FDA's associate commissioner for regulatory affairs, said top agency officials thought that "we've done a tremendous job of beefing up the foreign inspection program" and that American consumers remained safe.

The agency has increased the number of foreign companies inspected to 325 this year from 150 in the 1992 fiscal year, and it is training agents better and

faster that nearly all imported products reaching consumers are safe and effective, and that there is little chance an individual will receive tainted drugs.

But concern is rising as pharmaceutical companies, under pressure to hold control medical costs, increasingly look to lower-priced suppliers abroad.

More foreign pharmaceutical companies have begun to sell finished drugs in the huge U.S. market.

The safety concerns are "a legitimate worry," said William F. Haddad, chairman of Mir Pharmaceutical Inc. in Brewster, New York, and the head of the international committee of the Generic Pharmaceutical Industry Association.

"I'm not so sure FDA has the manpower. The trade is expanding quicker than their ability to respond to it."

Ronald G. Chesemore, the FDA's associate commissioner for regulatory affairs, said top agency officials thought that "we've done a tremendous job of beefing up the foreign inspection program" and that American consumers remained safe.

The tipster also indicated that the company might have shipped bad products to the United States, including batches of a children's antibiotic that were too potent and could possibly destroy bacteria that might help, as well as those that might harm, an ill child.

The letter also indicated that some people, given the barriers of language and distance, might be missing in inspections that usually last just a few days.

The FDA usually lets firms being inspected provide translators, a practice that has at times led to delays and disputes.

The letter bounced around the FDA. When it finally sent inspectors to the plant 10 months later, they confirmed that some of the blending processes had once been, to use the words of an FDA memo, "out of control."

Company executives told the FDA that they felt certain they had detained the bad batches at the plant and that no Americans were harmed, but they agreed to quit shipping the antibiotic to the United States temporarily.

As cut-rate suppliers proliferate in less-developed countries, such as China and India, U.S. drugmakers say they have begun receiving — and rejecting — more shipments of powdered chemicals and other ingredients contaminated with bacteria or that fail other tests.

The FDA also has detected an increase in counterfeit drug ingredients — supposedly made at an FDA-certified plant but actually from somewhere else.

The letter said raw batches of some of the company's products did not always "work the way they are supposed to."

The tipster also indicated that the company might have shipped bad products to the United States, including batches of a children's antibiotic that were too potent and could possibly destroy bacteria that might help, as well as those that might harm, an ill child.

The letter also indicated that some people, given the barriers of language and distance, might be missing in inspections that usually last just a few days.

The FDA usually lets firms being inspected provide translators, a practice that has at times led to delays and disputes.

In general, the concerns are greater with generic products than with branded drugs because the largest brand-name companies either make their own ingredients or have locked up some of the most reliable foreign suppliers.

Mediobanca Buys 10.7% of Ferruzzi

Compiled by Our Staff From Dispatches

MILAN — Mediobanca SpA said during the weekend that it bought about 10.7 percent of Ferruzzi Finanziaria SpA last week after the holding company's planned merger with Gemina SpA collapsed.

The acquisition brings Mediobanca's holdings of Ferruzzi's outstanding shares up to 11.2 percent.

Mediobanca paid an average of 1,580 lire (99 cents) a share, or a total of about 250 billion lire (\$156 million) for the stake.

Vincenzo Maranghi, the bank's chief executive, said Saturday at the annual shareholders meeting.

Some shareholders groups also criticized the plan as an attempt to keep Italian business in the hands of a clique of old-line power brokers.

Ferruzzi is a holding company with interests in chemicals, newspapers, food, real estate and insurance.

"We made an investment in Ferfin because we believe in the business," Mr. Maranghi said. "We hope this important group will not be broken up into pieces."

The Mediobanca investment gives a lift to Ferruzzi, whose stock rose last week on speculation another merger deal was in the works.

Plans to create Italy's second-largest conglomerate were called off last week after an investigation of alleged bookkeeping fraud at subsidiary Gemina SpA, a holding company at the center of the proposed deal.

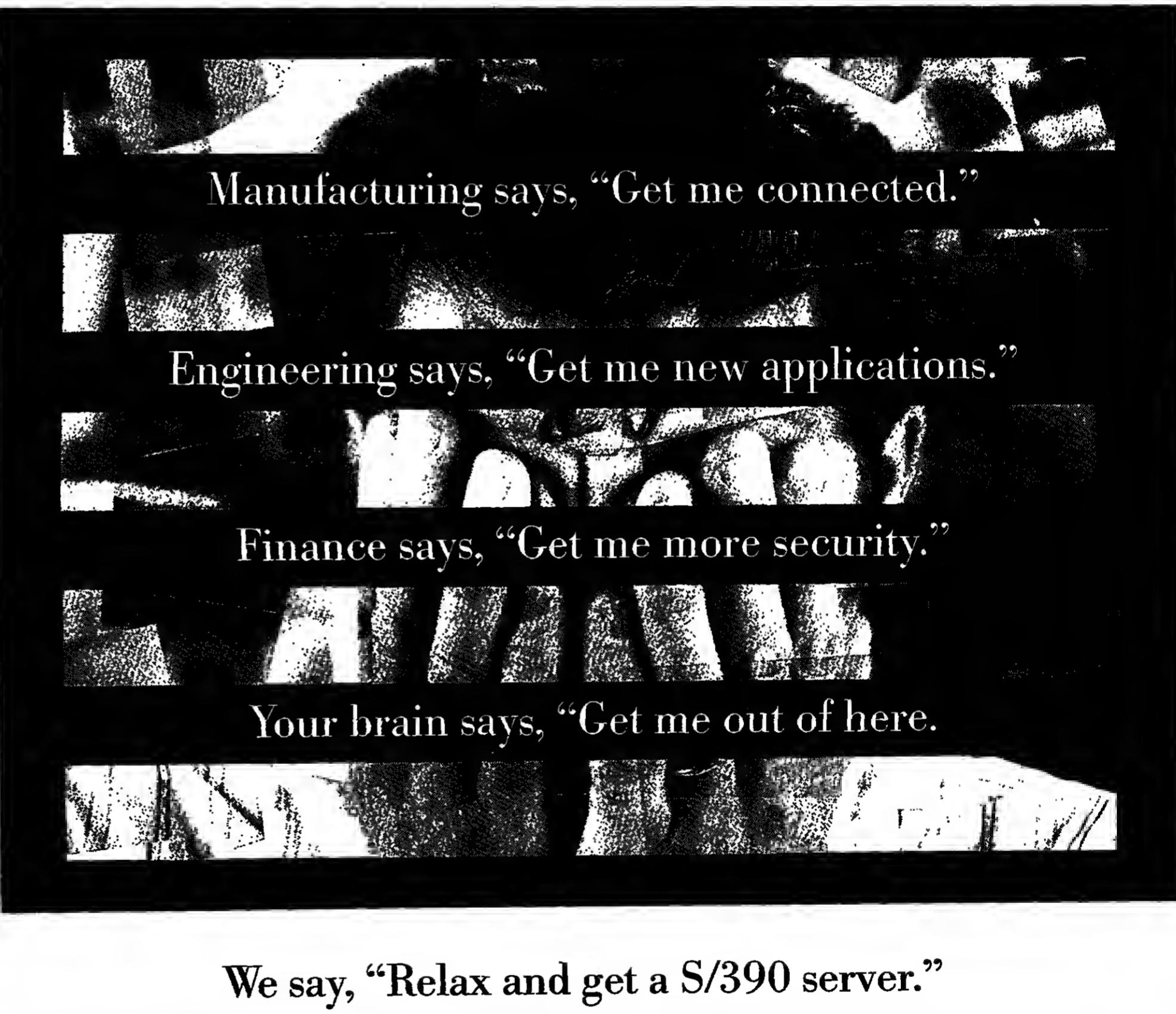
Under the plan, Gemina, controlled by automaker Fiat SpA, would have absorbed Ferruzzi and two Fiat subsidiaries.

Mediobanca was one of the key architects of the proposal.

Some shareholders groups also criticized the plan as an attempt to keep Italian business in the hands of a clique of old-line power brokers.

The project's failure fueled rumors that other bidders might want to take over Ferruzzi, which is controlled by a consortium of banks that saved the conglomerate and its agro-industrial concern Moniedison SpA after big debts were found in 1993.

(Bloomberg, AP, Reuters)



We say, "Relax and get a S/390 server."

Chances are, it may seem impossible to make everyone happy

when you take all their demands into account. In fact,

the S/390 Parallel Enterprise Server is the only

CMOS-based server that can run the latest UNIX®

and client/server applications that keep your business

growing (like Sybase Open Client/Open Server and PeopleSoft) and all

the mainframe applications that keep it

operating on solid ground.

Those who value security will be

reassured to know that the S/390 server protects against unauthorized

access to crucial information and can automatically back up data

stored on local area network servers or desktop systems. Those who

need speed and access to information around the clock will find they

have exactly that. Because the S/390 server stays up and running even

while changes are being made to your system. It

connects to all standard networks, and its advanced

parallel processing allows people in your company

to get answers to questions that couldn't even be asked

before, at a cost that makes it all practical. So rest easy. The S/390

Parallel Enterprise Server will give

everybody what they're looking for.

Call your local IBM office or visit our

web site at <http://www.europe.ibm.com/s390>

IBM

Solutions for a small planet

SIGMA SECURITIES SA
MEMBER OF THE ATHENS STOCK EXCHANGE
Leading the way
in
Greek Equities

GREECE AND THE BALKANS

GREECE DISCOVERS WAYS TO HELP ITS NEIGHBORS

Prospect of peace raises hopes of mutual prosperity.

There was a time when Greeks refused to admit they were part of the Balkan world. They preferred to see themselves as belonging to the Mediterranean and to Europe. That was when Greece's Balkan neighbors were communist states and looked at Greece as the only obstacle to their access to the Mediterranean.

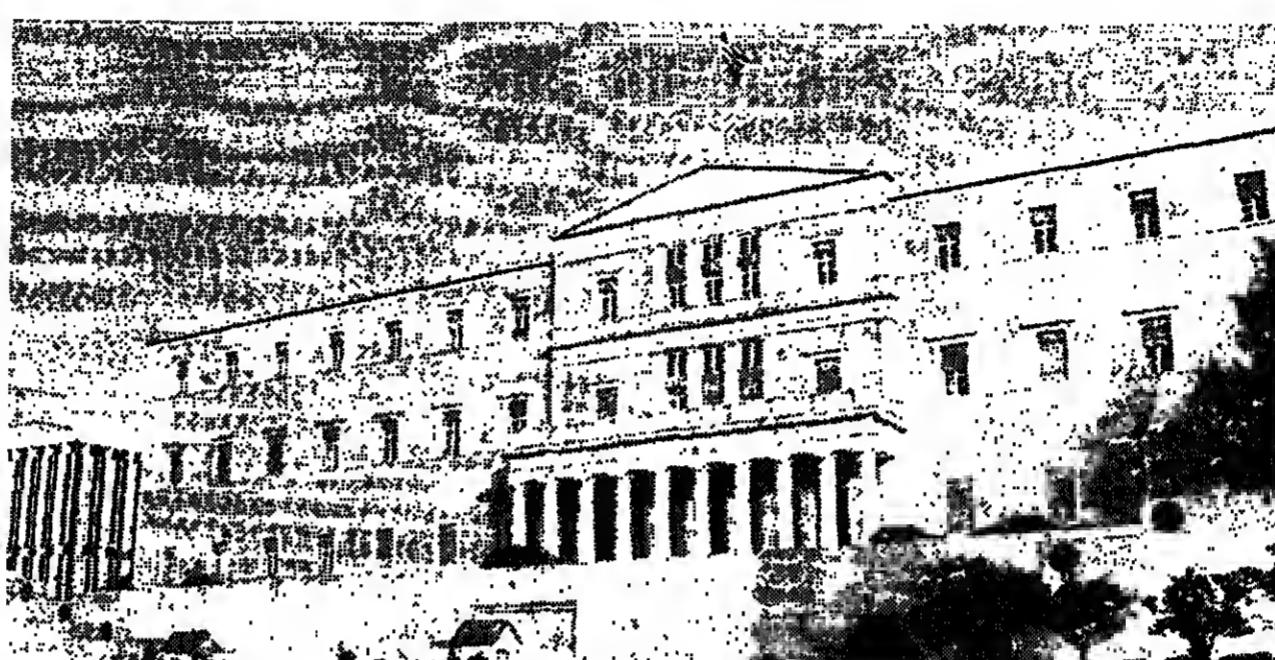
This is not so any longer. "We are a part of the Balkans just as much as we are part of Europe and of the Mediterranean world," says Giorgos Romaios, alternate minister of foreign affairs.

Mr. Romaios, who spent several years in Strasbourg as a member of the European Parliament, believes that Greece's double identity as a Balkan country and a member of the European Union allows it to interpret developments in the area in a more realistic manner than its European partners.

"We were accused of following the wrong policy when we kept our doors open to the Serbs," says Mr. Romaios. "People later recognized that we were right. By holding the door open to the Serbs, we contributed to the negotiations that resulted in a cease-fire and that we hope will lead to final peace."

Stepping stone
For Nikos Zachariadis, the Stanford-educated secretary general of the Ministry of National Economy, Greece's double identity allows it to play the role of a financial stepping stone between other Balkan countries and those seeking business with them. "With this double capacity, Greece can help draw a joint European policy for the Balkans and also serve as a channel for passing community funds to these countries," Mr. Zachariadis says.

A few months ago, plans for a European effort leading to the reconstruction of the economies of all Balkan countries would have sounded impractical, with bloody hostilities still going on in the former Yugoslavia. But thanks to the efforts of the United Nations, the contact group and representatives



The Greek Parliament, a symbol of democracy and stability at the crossroads of Europe.

of the U.S. State Department, a cease-fire has been established and the warring parties claim to be ready to discuss peace.

Once peace is stabilized, Mr. Romaios foresees the formation of a Balkan League as a conduit for reconstruction and a preparation of the area for participation in the European Union.

"The reconstruction of the former Yugoslav republics will attract most of our attention, but we cannot leave other Balkan countries outside such a plan," says Mr. Romaios. "Both politically and economically, these countries have a certain uniformity, and since it will take a long time before they can enter the European Union, the formation of a league could facilitate their course."

"We are constructing new arteries to connect our ports of Salónica, Kavala and Alexandroupolis with our northern borders," says Mr. Zachariadis. "We will also connect them with the new Egnatia Way, linking the Adriatic port of Igoumenitsa with the Black Sea."

National Economy Minister Yannos Papantoniou says that the Egnatia Way, a 670-kilometer highway, will be ready by 1999 at the cost of \$3.0 billion. Another road of 730 kilometers, connecting the port of Patras in Southern Greece with the border of the former Yugoslav Republic of Macedonia, is under way, with the European Union covering most of the \$2.6 billion cost of the first 300 kilometers. Greece is also modernizing its railway network, which connects the country with all its northern neighbors except Albania.

"To better use European programs and assist these countries to adapt to a free economic system, what is most needed is better telecommunications," says Mr. Zachariadis.

Taking risks
Mr. Zachariadis admits that Balkan countries are still a zone of high political and economic risk, but that does not prevent Greek businesspeople from spreading their activities there. This is evident in every field of economic activity. Between 1990 and 1994, Greek exports to other Balkan countries increased by 142 percent, while imports rose by 37 percent. During the same period, some 2,500 Greek enterprises have expanded their activities into these countries.

"They have invested \$200 million, and although only 100 are industrial enterprises, the overall picture shows the interest of Greek businessmen in the area," says Mr. Zachariadis. This interest has also resulted in the formation in Salónica of a Trans-Balkan Business Council, which later this year will hold a congress with the participation of seven business leaders from each Balkan country.

Greece has become a base for several international firms interested in the Balkans. Most of these companies established joint ventures with Greek businesspeople, whose Balkan know-how they have come to appreciate.

Last year Global Finance, a Venture Capital Management company, launched the Euromerchant Balkan Fund for equity investments in the Balkans, with the participation of the Euromerchant Bank and funds from international organizations, including 10 American pension funds. John Rigos

LEADERS CONFER

A major international conference on the future of the Balkans and its position in world trade has been convened by the International Herald Tribune and the American-Hellenic Chamber of Commerce. It is called "Balkan Summit Meeting: Political, Economic and Investment Outlook," and is taking place at the Atheneum Inter-Continental Hotel, Athens, on Oct. 30 and 31, 1995.

Attending are political and business leaders from all the countries of the region, and also from other nations of the European Union and from the United States. Subjects will include "Regional Dynamics and the Outlook for Stability," "New Economic and Investment Policies" and "Financing Trade and Investment in the Balkans," and workshops will be held on such subjects as information technology, transportation, construction, banking and energy.

"It is the first major international conference to look at the region as a whole," says Axel Krause, corporate editor of the International Herald Tribune, who will preside at many of the sessions. "Everyone will be considering the Balkans as the big new trading block."



BANK OF GREECE



GREEK MINT



INTERNATIONAL OLYMPIC COMMITTEE (IOC) CENTENNIAL OLYMPIC COIN PROGRAMME (1992-1996)

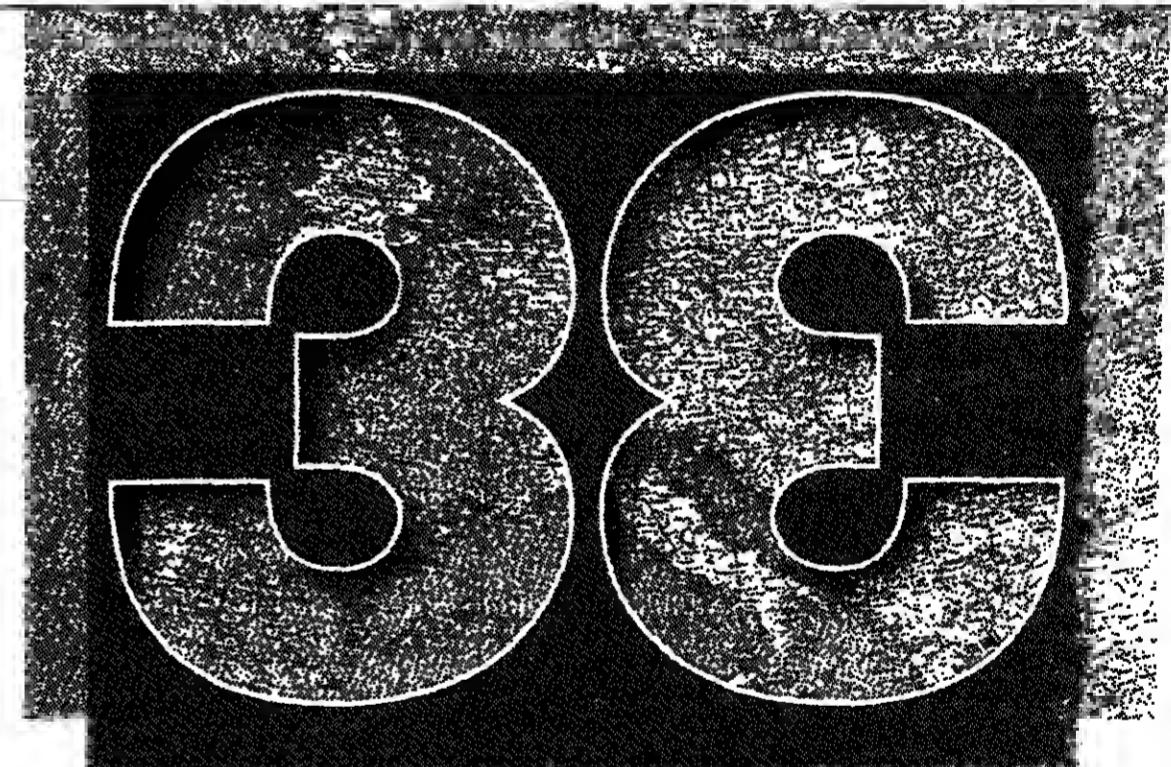
The IOC and five major National Mints came together to issue commemorative coins for the celebration of the Centennial of the Olympic Movement. The Bank of Greece with its Mint closes the unique five-year IOC coin series with one gold and two silver coins, and has selected classic designs that recall the ancient Olympic events. The obverse of the gold coin bears the image of "Doryphoros", a statue made by the sculptor Polycleitos, around 440 B.C.

For the silver coins the Greek Mint has prepared two designs which were found on ancient terracotta pottery. The first design is of a group of runners and the second of two powerful wrestlers.

The coins have common reverse, showing the Athens Stadium, where the first modern Olympic Games were held in 1896, and the Acropolis, the symbol of Athens. The National Mint of the Bank of Greece, fully modernized to the present needs, continues a long tradition in striking high quality coins, and the Greek Olympic coins will enhance numismatics around the world, because they combine the art and the ancient Greek Olympic ideal.

For further information, please contact:

Bank of Greece - Greek Mint - Numismatic Department - 341, Messogion Ave., Halandri, Athens (152 31) - Greece.
Tel.: 672 1034, 671 2322-4(127) - Fax: 672 5977.



Growth

3E's steady growth over the past years has been the result of the company's unrelenting commitment to customer satisfaction and its continuous long-term modernization initiatives.

Recently, 3E has started to expand beyond Greece. Driven by the same values and principles but with new goals in sight, 3E will continue its efforts to grow and progress, and to broaden its horizons.



Broadening Horizons

II SPONSORED SECTION

INTERNATIONAL HERALD TRIBUNE, MONDAY, OCTOBER 30, 1995

SPONSORED SECTION

GREECE AND THE BALKANS**BANKERS ACCEPT NEED TO CHANGE AND EXPAND***The challenge for Greek bankers comes from EU directives, as well as the new opportunities offered in the Balkans.*

The Greek banking system is in a state of flux, but Greek banks are also booming and looking to expand, especially into the neighboring Balkans. Last year, net profits for some 27 Greek banks increased almost 400 percent over the year before,

from \$107 million to \$500 million.

Radical changes have often come from attempts to comply with economic directives from Brussels that have the ultimate goal, according to John Manos, secretary-general of the Union

of Greek Banks, of European Monetary Union. Some dispute this goal, but "Greece has to respond to this challenge," according to Mr. Manos.

Economic deregulation and the influx of foreign banks into the country in the past few years — there are 33 Greek banks and 20 foreign banks operating in Greece — have also forced banks to modernize, move into specialized banking, offer new products and expand.

Mr. Manos believes that Greece can assist in the economic development of the Balkans, not only because of proximity and common traditions, but because Greece has the most developed economy in the area, extensive experience in small and medium-sized business, and connections to the European market.

There has already been an organized attempt on the part of Greek banks to extend their activity into the Balkans, with about 10 banks having opened branches in the capital cities.

Investment fund
The EuroMerchant Balkan Fund was established last year as an investment company with committed capital of \$27.3 million. The fund's main objective is to participate in venture capital investments in Bulgaria and the Balkans in which the foreign partners will provide management expertise, contribute most of the share capital required and take into account that EBF has a "long-term but finite investment horizon."

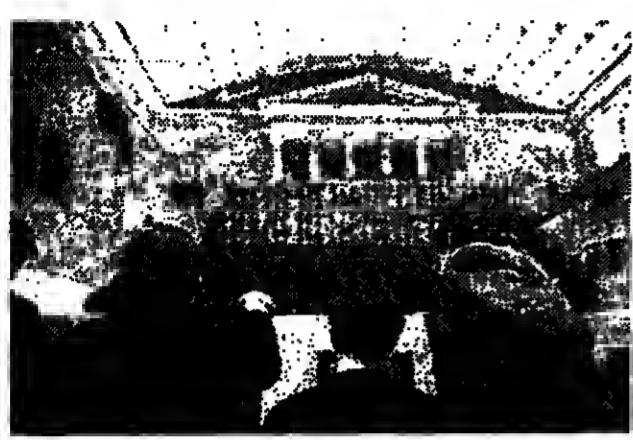
According to EBF's Constantinos Adrianopoulos, in

countries like the Balkans, where a centrally planned economy is being converted to a market economy, venture capital is "a most appropriate form of financing." Venture capital absorbs part of the investment risk involved and offers support to its partners. Other sources of capital are scarce due to lack of financing structures for equity and debt.

The National Bank of Greece, the country's largest bank, with branches in 13 countries worldwide, actively supports efforts to bolster Greek business in the Balkans. It opened a branch in Sofia this year, and others in Bucharest and Tirana will soon follow.

The National Bank also recently announced construction plans for a Center for Culture and Economic Development in Salonika.

Pat Hamilton



Moves to modernize the stock exchange have paid off.

TAKING STOCK

The average daily trading volume on the Athens Stock Exchange this year is about \$18.5 million, which is more than three times what it was in the late 1980s. Ten years ago, the view was widely held that the exchange was an inefficient, local market confined to government bonds and state bank shares, but moves to internationalize and modernize the institution have begun to pay off. The general opening toward the Balkans is accelerating the process.

John Marcopoulos, managing director of Sigma Securities, sees the easing of the dispute with the former Yugoslav Republic of Macedonia as a influential factor.

"Greece's lifting of the embargo and the overall rap-

rovement will have a positive influence on market sentiment, removing the cloud of concern about the normalization of relations between the two countries and stability in the area," he says. "The natural outcome will be a pickup in trade and significantly improved prospects for a wide range of Greek businesses." Greek entrepreneurs are closely watching a market of more than 50 million people surrounding Greece that will provide a positive outlook for the Greek economy.

A sign that the vibrancy and upward trend of the market is bound to continue has come in the government announcements that foresee the offer of 6 percent of the shares of the Greek Telecommunications Organization on the market. P.H.

**Your Equity Partner
in the Balkans****EUROMERCHANT
BALKAN FUND**

The EuroMerchant Balkan Fund provides equity capital, participating in your venture, assisting you with local expertise and sharing the risk and opportunities of your investment in Bulgaria and the Balkans.

Sponsored by EuroMerchant Bank, the fund is backed by EBRD, IFC and other prestigious investors, with capital of \$27.3 million.

The fund is managed by Global Finance, Greece's leading venture capital firm, which has set up a strong local presence in Bulgaria, offering valuable hands-on support, beyond financing.

Sponsor
EUROMERCHANT BANK

Investment Adviser
GLOBAL FINANCE

17 Akadimias Str
Athens 106 71 Greece
Tel (30 1) 3622 096, 6450 832-4
Fax (301) 3627 766

39 Vitosha Blvd
Sofia 1000 Bulgaria
Tel (359 2) 4920 467
Fax (359 2) 805 900

**INDUSTRIAL REVIEW
SPECIAL SURVEY SERIES 1995****March:** A SURVEY OF THE GREEK TOURIST INDUSTRY**October:** BUSINESS INVASION IN THE BALKANS AND EASTERN EUROPE**June:** CHEMICALS - PHARMACEUTICALS - PAINTS**December:** MEDIA AND ADVERTISING

Since 1991, 17 separate special English issues (*Industrial Review - Special Supplements*) have been published and they are recognized as valuable reference tools. These quarterly reports on key sectors of the Greek economy are written by Robert McDonald.

Individual copies 1,900 drs or US\$ 10. Bound annual volumes 14,000 drs or US\$ 60.
Please contact INDUSTRIAL REVIEW, 7, Valeoritou Str., 106 71 Athens, tel: 301 362 6360, 301 362 7218, fax: 301 362 3879.

MONTHLY BUSINESS MAGAZINE

INDUSTRIAL REVIEWSpecial quarterly reports
on key sectors
of the Greek economy**GREECE'S ROLE AS A CATALYST FOR DEVELOPMENT
AND MODERNIZATION IN THE BALKANS**

The Eastern Mediterranean has traditionally served as Greece's economic sphere, says Dimitris Daskalopoulos, the CEO of DELTA Dairies Industry. For a number of reasons, mostly political, this ceased to be so as of the end of the Second World War. Greeks were expelled from Egypt by Nasser, from Libya by Quadafi, from Turkey by Menteres. The border to the north was closed by communists. And Greece's lifeline inevitably rested to the West with Italy and the rest of Western Europe.

Now, with the breakdown of socialism, following the monumental events of 1989-1990, the borders north of Greece are wide open once again. The Black Sea, traditionally in the country's sea roots beckons. And Greece can again play the role that she so efficiently fulfilled in the 400-year period, from 1500 till the middle of the 20th century. And that role, according to Dimitris Daskalopoulos, is that of the catalyst for economic development and political modernization in the Balkans.

Greece is uniquely positioned to serve as the center for reform in the Balkan Peninsula, says Daskalopoulos. Politically, it is a stable democracy with western style institutions as well as a cultural tradition dating back to the 5th century B.C. Economically, it is the most advanced state in the Balkans having undergone a period of extremely rapid growth, second only to Japan's, from 1960 till 1972, and currently implementing an economic convergence plan in accordance to the Maastricht Treaty criteria. A plan which will hopefully take her into the European Monetary Union (EMU) by the end of the century, intones Daskalopoulos.

Yet Greece's most important comparative advantage probably lies in the fact that she is already a member of the European Union. She, thus, has the ability to act as a bridge between the advanced nations of Western Europe on the one hand and the now developing nations of the Balkans and Eastern Europe on the other. This, claims Dimitris Daskalopoulos, is probably the single most important challenge faced by Greece in the latter part of the dying century.

The issue is both political and economic, adds Daskalopoulos. Europe, in the form of the E.U., acts already as a counterweight to the other two main poles of the world economy; the USA and Japan. And, irrespective of the difficulties faced on the road to EMU, the E.U. and its prospects as laid out in the Maastricht Treaty, is the "only game in town". Given the importance of Europe, most countries on the continent want to join the Union, even though the costs — in terms of costs adjustment — may be enormous. The countries of the former Eastern Block are no exception. And they will press for the issue to be resolved as soon as possible. Within this framework, adds Daskalopoulos, Greece can serve as a "guide" to those Balkan countries which will seek entry into an enlarged E.U.

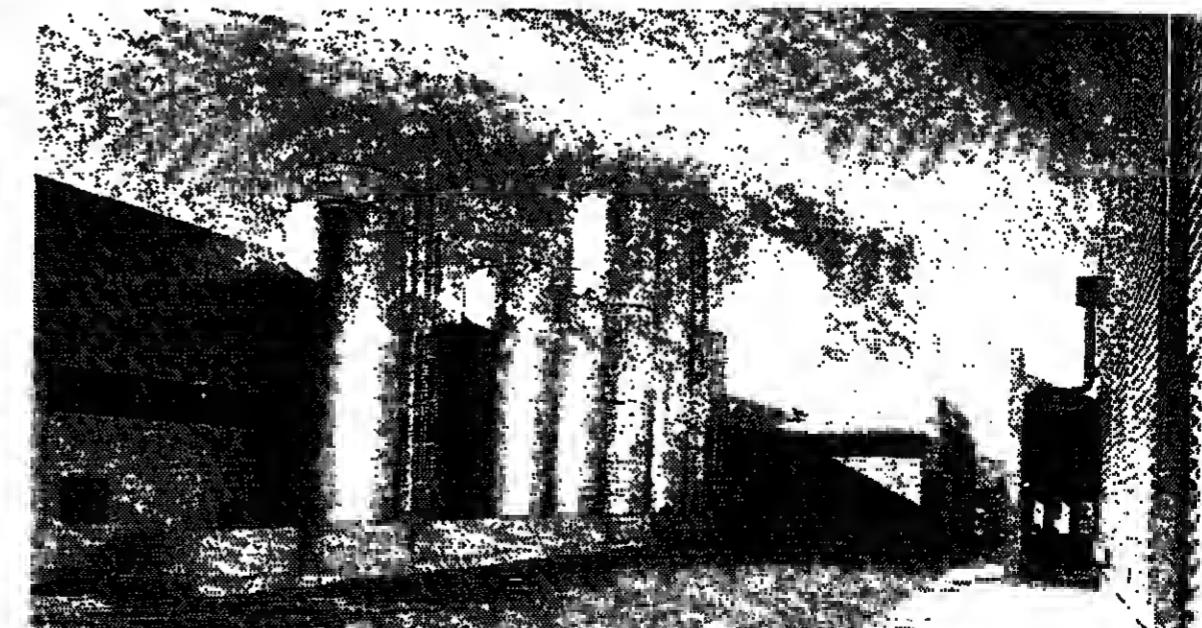
What form of a "guide"? Well, the issue is multifaceted, stresses Daskalopoulos. Take the case of DELTA. We were the first Greek company to proceed with a direct investment in Bulgaria in production and distribution. And we are the first Greek company to use our production and distribution facilities in that country as a basis for expansion in other Balkan countries like Romania, where we have formed a joint venture company, DELROM, for the distribution and sale of ice creams. The same logic has led us to expand into the Ukraine, with another joint venture company, DELTA UKRAINE, also in the ice cream business.

All of these actions have meant that capital and know-how have become available to these countries. The meaning of know-how, though, is quite extensive. It involves technological know-how, legal know-how, human resources know-how, marketing know-how. And on this basis, DELTA has been instrumental with respect to two main targets as seen from the point of view of the Balkan countries. First, it has contributed to the effort to increase production, employment and the standard of living. Secondly, it has helped in the long and difficult process of modernizing the countries with which it has business dealings.

How optimistic is Dimitris Daskalopoulos regarding future prospects in the Balkans? Again, the issue has many facets, he intones. In Bulgaria where DELTA operates two companies, DELVI-T and DELVI-P, for distribution and production of ice cream respectively, most of the initial difficulties have been resolved and the two companies are running along nicely. It took, though, a long time and patience to win the trust of the local partners and to solve all the legal and institutional problems associated with the novelty of a direct investment. Political stability is an advantage, of course, but the economy has still a long way to go, both on the micro and macro economic side. Thus, for example, the devaluation of the Bulgarian currency in 1994 meant lower repatriated profits for DELTA, as a mother company.

Similarly, in countries like the Ukraine, institutional difficulties remain paramount and have to be overcome if the expansion is going to be significant for both the companies involved and for the country as a whole.

As far as help from the Greek state is concerned, Daskalopoulos is adamant. We want no intervention, no well meaning business initiatives, no state plans. The Greek government should concentrate on two things only. First, to maintain good relations with all of our neighbors. The handling of the Skopje affairs, is an example not to be repeated. Secondly, it should provide for insurance against political risk. From then on, it is up to the companies to decide what they want to do, when to do it and how to do it. It is also the companies' obligation to accept the consequences of their failure, should it occur, without asking for government help, adds Daskalopoulos.



DELTA'S state-of-the-art yogurt factory, Greece.

GREECE AND THE BALKANS

SALONIKA DEVELOPS ITS ROLE AS GATEWAY TO THE BALKANS

Improved commercial links come at the same time as the city's election as cultural capital of Europe.

Salonika is in the spotlight, partly because of the preparations for its reign as 1997 cultural capital of Europe, but mostly because of its central role in the developing relations between Greece and the rest of the Balkans.

Capital of the Greek province of Macedonia and by extension of all of northern Greece, Salonika stands historically and geographically, at a crossroads between Europe, the rest of the Balkans and Asia. In ancient times, the city was the commercial center of Greece, and its position on the Via Egnatia, the road built by the Romans to connect Rome with Constantinople, made it one of the most important cities of the Byzantine Empire.

Today a number of Euro-

pean Union-funded infrastructure projects – including a trans-Hellenic highway dubbed the Egnatia after the ancient road – are preparing the city for its key future role. Already Salonika is the Balkans' biggest exporting and importing port, and its ability to move goods is being further improved by new highways, railway lines and airports.

Underground railway
At a Cabinet meeting held earlier this month to review infrastructure problems, National Economy Minister Yiannis Papantoniou said that particular emphasis was being placed on the development of Macedonia and its eastern neighbor Thrace, with 25 percent of all funds destined for East Macedonia being earmarked for the de-

velopment of infrastructure. Two major projects for Salonika, the most populous city of northern Greece, with 1 million inhabitants, are an underground railway and a treatment plant to recycle municipal waste. Both have been discussed for some time but will now finally move ahead.

The economy of Central Macedonia is based on food processing and textiles. Population figures show that in recent years Macedonia has retained its population more effectively than other regions and that it has a more balanced population distribution than the country as a whole.

Characteristic of the dynamism of the region is the increase in employment figures. Between 1978 and 1988, for example, the number of people employed in the region in food processing rose by 24 percent, while the increase in employment for the country as a whole for the period was only 2 percent.

Help for investors
Salonika is in a position to play a principal role in helping European businesses to break into the Balkan mar-

ket. The Exporter's Directory of Northern Greece produced by the Salonika Chamber of Commerce lists some 1,200 exporting companies in Salonika, about half of which do most of their business in the Balkans.

Recent statistics from the EU Statistical Service illustrate the surge in business activity as these new markets begin to open up. Exports from Greece to Bulgaria have increased by 70 percent in the last year, and imports by 67 percent. Exports to Albania are up by 66 percent and imports have more than doubled; imports from Romania are up 47 percent.

Estimates for the reopened market in the former Yugoslavia are equally promising, with Greek exports before the 20-month embargo running at about \$140 billion a year. The Panhellenic Federation of Exporters is predicting that this figure will now rise to \$250 billion within three years.

Festival links
While Salonika emphasizes its role as an epicenter for commercial activities, the city operates as a Balkan center in other areas as well.



In 1997 Salonika will become the cultural capital of Europe.

The Dimitria Festival, which brings people to Salonika from all over the world every autumn to perform and lecture, is presenting in the last week of October the Sofia National Opera and Belgrade's 'Bitef' Theater Company.

Consumer groups from Bulgaria, Romania, Albania and Greece met in Salonika earlier this month to establish a Balkan Consumer Center. Its purpose is to inform Balkan consumers on product quality and price and to protect consumers from misleading advertising.

The American Farm School, founded in the region in 1904 by missionary John Henry House, heads a three-year-old initiative called the Avatar Project, which trains future agribusiness managers for the emerging market economy of Albania. A manifestation of the American Farm School's historic role in offering a helping hand to the rural youth of the Balkans, the Avatar Project aims to provide the skilled manpower that will attract investors in agriculture-based joint ventures in Albania.

Pat Hamilton

ATHENS STOCK EXCHANGE: "THE NEW"

- 271 listed stocks on August 1995 with market capitalisation over USD 16 billion-16% of GDP and average daily turnover of USD 25 million.
- Profitability of the A.S.E. General Index at almost 10% up till August 1995 and over 50% decrease in its volatility.
- No capital gains tax.
- Average "turnover rate" increase of 32% and market capitalisation increase of 27% during the period 1990-August 1995.
- Fully Automated Equity Transactions.
- Participation in market developments through membership in the Federations of European (FESE) and International Stock Exchanges (FIBV).
- Remote access to the market and shares' dematerialisation effective within 1996.
- Adoption of measures towards efficient market organisation and trading supervision.



"GREECE AND THE BALKANS" was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITERS: John Rigos and Pat Hamilton are both based in Athens.
PROGRAM DIRECTOR: Bill Maher.

MINISTER SAYS GREECE IS RECOGNIZED AS A 'FACTOR OF STABILITY'

The policy of seeking a peaceful settlement through dialogue with all the parties concerned has been justified.

Aakis Tsochatzopoulos, minister of the interior, public administration and decentralization, discusses in an interview the basis of Greece's policy toward the other Balkan countries.

How do you see Greece's position in the Balkans today?

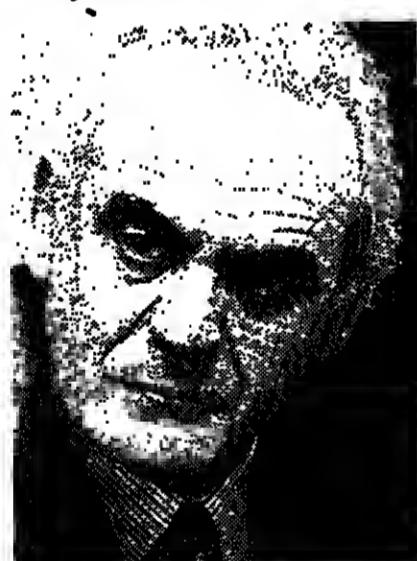
By expanding its relations and strengthening its ties with all the countries in the Balkans on social, economic and political levels, Greece has become recognized as a factor of stability in the area. On the other hand, the European Union has failed to demonstrate a decisive presence in the Balkans, contrary to what has happened in Central Europe, where its policy has led to concrete results, such as the start of a course toward convergence and the development of a joint perspective.

Is Greece acting as a member of the European Union?

The role of Greece as a factor of stability in the Balkans was not established just because Greece, as the only European Union and NATO member in the area, has an influence on these two international groups. Greece's initiatives toward stabilization are of an individual character. This is evidenced by its efforts to end civil war in parts of the former Yugoslavia. For a while, Greece was the only country to insist that only through a clear dialogue with all parties concerned was it possible to reach a political solution. We supported the peace plan now under way, which I hope will lead to a peaceful settlement. If attained, this will justify the position that Greece always held.

Did Greece take any action to back its position?

We did not confine ourselves only to the role of acting as a stabilizing factor. We promoted a peaceful solution with contacts we had with the Muslim and the Serbian sides in the Bosnian struggle, and also with the Croats. We sought bipartite and tripartite negotiations, and we are happy to see that the results of such efforts are now visible.



Akis Tsochatzopoulos: toward the creation of a unified economic area.

dream during the past 20 months. So now we see the Parliament of the former Yugoslav Republic of Macedonia ratifying almost unanimously the interim agreement between the two countries.

This has led to a change of the symbols on the flag and of the questionable parts of the constitution.

Interview by John Rigos

Are you going to propose to the European Union a joint Balkan policy?

As a party within the European framework – I speak as secretary general of PASOK – we are promoting a course of expansion that will include the Balkan countries. This, of course, will take a long time and will depend on the ability of each country to adapt the requirements of such a development. Greece wishes to take advantage of the existing European programs to contribute to the creation of a unified economic area in the Balkans, since now we all have the free market economy as our common economic system, and to support the efforts of our Balkan neighbors to overcome the difficulties that implementing the free market economy may cause.

How do you face the problem of Albania?

It is true that our relations with Albania have their ups and downs. In the past, we had a period of strong confrontation and lack of understanding, but in the last year, there have been signs of re-establishment of cooperation, peaceful coexistence and shared efforts to deal with existing problems.

Unfortunately, during the last weeks, there have been again signs of delay in the implementation of the agreements, mainly on the operation of schools for the Greek minority in Albania and on the legalization of the movement of persons between the two countries. It is a fact, however, that Greece supports Albania in coping with the great problems it is facing during this transitional period from one regime to the next. Over 300,000 Albanians are legal or illegal residents working in Greece, and they send hundreds of millions of dollars each year to their country. For our part, we will not stop supporting the interests of the Greek minority in southern Albania. We see the existence of this minority as a bridge of friendship between our two peoples.

Interview by John Rigos

More than a century of tradition in banking combined with state of the art technology.

With a network of 170 branches and state-of-the-art technology, Alpha Credit Bank, the largest bank of the private sector in Greece, provides today the most up-to-date banking services in Greece.

Alpha Credit Bank through its subsidiary and affiliated companies offers banking and financial services in sectors such as:

- Banking in London and Romania (Alpha Bank London, Banca Bucuresti)
- Financing (Alpha Leasing, Alpha Ventures, Alpha Business Promotions)
- Financial Services (Alpha Finance, Alpha Brokerage, Alpha Mutual Funds Management, ABC Factors, ICAP Hellas)
- Investment (Alpha Investments)
- Insurance (Emporiki Insurance, General Life)
- Real Estate (Astikia Akinita, Astikia Anaphysis)
- Electronic Data Processing (Delta Informatics, Unisys Hellas)

For your business in Greece, contact Alpha Credit Bank.

Main Branch:

40 Stadiou str., GR-102 52 ATHENS

Tel.: (301) 326.0000

Fax: (301) 326.5438

Att.: Mr. V. Karalindros

London Branch:

19/21 Davies Street, London W1Y 1LN

Tel.: (44171) 514.5000

Fax: (44171) 493.4311

Att.: Mr. P. Nivelles



YOUR GREEK PARTNER

Today, as world economic conditions become more and more complex, decisions for serious investments in a foreign market require serious thought and up-to-date accurate information.

Our job is to propose the right move at the right time - a matter of experience, organization and strict professionalism.

That is why we feel to be best qualified to act as your personal connection with the developing Greek stock market.

Nicolas D. Devletoglou Securities S.A.

MEMBER OF THE ATHENS STOCK EXCHANGE

Invest
in our
experience

ALPHA CREDIT BANK

Knowledge Is Power.

You've just attended an International Herald Tribune conference.

You've heard what speakers from the highest level of government, finance and industry think about the important issues affecting today's business world.

You've had the chance to speak with them directly.

You've made contacts that will enhance your business performance.

Perhaps you've made a deal.

Most of all, you've acquired the knowledge that just may give you the edge on your competition.

Isn't that what it's all about?

The conference agenda for the second half of 1995 includes the following events:

■ **OIL & MONEY: POLITICS & PROFITS**
London, November 2-3

■ **GLOBAL FUND MANAGEMENT**
Singapore, December 4-5 & 6

For further information about any of the above conferences or for 1996 program details, please telephone or fax

Brenda Erdmann Hagerty,
International Herald Tribune.
Conference Office, 63 Long Acre, London WC2E 9JH.
Tel: (44 171) 836 4802 or Fax: (44 171) 836 0717

Herald INTERNATIONAL **Tribune**
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

INTERNATIONAL Herald Tribune

BUSINESS / FINANCE

MONDAY, OCTOBER 30-1, 1995

PAGE 13

CYBERSCAPE

Czech Venture Puts East Europe On-Line

By Robert D. Gray
Special to the International Herald Tribune

PRAGUE — Finding current and reliable electronic information about Central and Eastern Europe should become easier this week when a U.S.-Czech joint venture launches a new on-line site dedicated to the region.

The Central European Online Navigator is scheduled for its official premiere Wednesday on the World Wide Web at www.ceo.cz.

Gina Fratto and David Rothstein hatched the idea for a regional Internet guide in December. Their company, EIN Inc., combined the couple's know-how with American capital and Czech technical support from Internet "Z," a partner and access-provider, to create the site.

EIN has also signed agreements with profit-sharing partners, who provide much of the data for the navigator's information services.

While refusing to disclose names of its investors or any financial details, Mr. Rothstein said the cost was "certainly less than starting up a regional newspaper from scratch."

EIN's main service will be a free daily on-line news synopsis focusing on business and financial news. The navigator will also provide Hyperlinks to a daily Top 10 list of recommended Web sites related to the region. Both services are produced by EIN's researchers and translators.

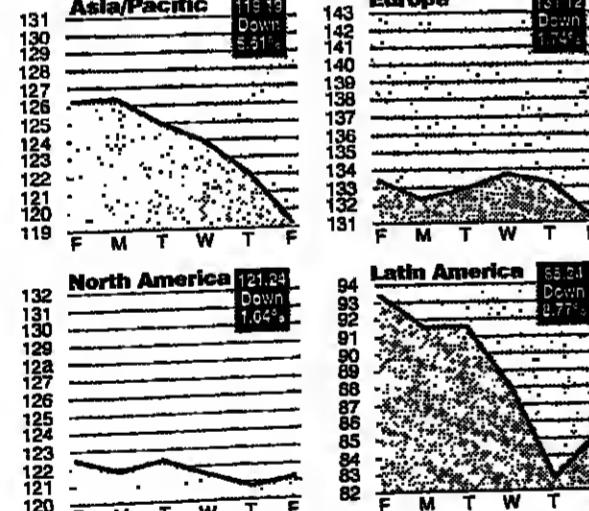
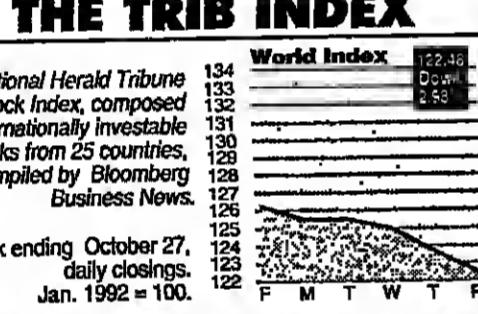
Ms. Fratto, EIN's president, said the navigator's initial focus would be on Czech Republic, Hungary, Poland and Slovakia before expanding eastward. The company also plans to introduce a Russian news service on Dec. 1, focusing on that country's upcoming parliamentary elections.

Mr. Rothstein called the service a combination of education and entertainment, or "edu-tainment," using the service's multimedia aspects with pictures, graphs and possibly sound bites.

Color-coded "modules," or icons, appear on every page, guiding users to the navigator's "chapters" such as business and finance, arts and culture, and travel and tourism. After clicking onto a module, the user finds additional options, which provide more information on the topic.

"It's a bit more polished than some of the other regional guides that I've seen," said Ken Varnum, an electronic services librarian at the Prague-based Open Media Research Institute, which focuses on the former Soviet bloc.

See SITE, Page 15



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Amsterdam, Australia, Austria, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Mexico, Netherlands, New Zealand, Norway, Sweden, Spain, Switzerland and Venezuela. For Zealand, Norway, Sweden, Spain, Switzerland and Venezuela, the index is composed of the top 20 issues in terms of market capitalization; otherwise the top ten stocks are tracked.

© International Herald Tribune

CURRENCY RATES

Cross Rates									
Per \$	L	D.A.	F.F.	Ifrs	0.73	0.5	0.5	Yen	0.5
Amsterdam	1.55	2.46	1.73	0.73	1.55	5.405	5.405	1.55	1.55
Brussels	2.745	4.245	3.05	1.76	18.215	—	25.4	0.204	0.204
Frankfurt	1.378	2.257	1.625	0.612	1.378	4.854	4.854	1.378	1.378
London (st)	1.935	2.717	2.011	1.211	2.211	7.072	7.072	1.935	1.935
Madrid	1.1237	1.8183	1.7174	0.7055	1.1237	3.671	3.671	1.1237	1.1237
New York (st)	1.9420	2.7520	1.1425	0.3840	1.9420	5.521	5.521	1.9420	1.9420
Paris	4.861	7.052	3.4742	1.3742	4.861	17.988	17.988	4.861	4.861
Tokyo	101.40	140.33	7.2	2.05	0.832	64.90	15.98	101.40	101.40
Toronto	1.216	2.140	0.826	0.276	0.826	0.079	0.079	1.216	1.216

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich; findings in other centers.

a To buy one pound b To buy one dollar *Units of 100: N.O.: not quoted; N.A.: not available.

Source: I.M.F. Sight + Information; Interbank; Bank of Tokyo; Royal Bank of Canada (Toronto); Agence France-Presse; Reuters and AP.

© International Herald Tribune

Other Dollar Values

Per \$	Per L	Per D.A.	Per F.F.	Per IFRS	Per Yen	Per C.	Per Pounds
Currency	Per \$	Per L	Per D.A.	Per F.F.	Per IFRS	Per C.	Per Pounds
Afghan. pesa	0.9950	0.9950	0.9950	0.9950	0.9950	0.9950	0.9950
Australian \$	1.3247	1.3247	1.3247	1.3247	1.3247	1.3247	1.3247
Austrian sch.	0.8008	0.8008	0.8008	0.8008	0.8008	0.8008	0.8008
British pound	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995
Chinese Yuan	4.7948	4.7948	4.7948	4.7948	4.7948	4.7948	4.7948
Czech korona	1.006	1.006	1.006	1.006	1.006	1.006	1.006
Danish kroner	5.40	5.40	5.40	5.40	5.40	5.40	5.40
Egyptian pound	2.3729	2.3729	2.3729	2.3729	2.3729	2.3729	2.3729
Fin. markka	4.147	4.147	4.147	4.147	4.147	4.147	4.147

Forward Rates

30-day	60-day	90-day	180-day	360-day	60-day	90-day	180-day
Currency	1.5749	1.5757	1.5757	1.5757	1.5757	1.5757	1.5757
Permit Starting	1.3076	1.2969	1.2710	1.2710	1.2710	1.2710	1.2710
Canadian dollar	1.3076	1.2939	1.2978	1.2978	1.2978	1.2978	1.2978
Deutsche mark	1.3076	1.2939	1.2978	1.2978	1.2978	1.2978	1.2978

Source: I.M.F. Sight + Information; Interbank; Bank of Tokyo; Royal Bank of Canada (Toronto); Agence France-Presse; Reuters and AP.

© International Herald Tribune

Kuwait Set To Sell Off \$3 Billion In Assets

Compiled by Our Staff From Despatches
KUWAIT — Kuwait, eager to enhance the role of the private sector in its oil-based economy, said it was planning to sell government assets worth \$3 billion over the next five years.

Ali Al-Bader, managing director of the Kuwait Investment Authority, said he had received offers from the private sector to buy stakes in 28 companies.

Mr. Bader said the authority, which acts as the government's investment arm, planned to offer shares in four of the 28 companies by the end of the year.

Stakes in the rest of the companies will be sold over the next five years, he said.

The government has at least a 10 percent stake or more in each of the 28 businesses, which include banks, industrial and service companies.

The authority has sold assets worth about \$1.04 billion in 22 companies since Kuwait's liberation from Iraq in 1991.

Only Kuwaitis and citizens of Gulf states are allowed to buy shares in companies up for sale. Mr. Bader said the sale of public assets had encouraged Kuwaitis to bring home assets.

Private-sector deposits at local banks rose to 6.14 billion dinars (\$20 billion) in June this year, up 11 percent from a year earlier.

The central bank had detected a decline in the transfer of funds abroad by Kuwaiti citizens, Mr. Bader said. "These indications are exactly what we like to see."

Kuwait's holdings abroad had been estimated at \$100 billion before the Iraqi invasion but were reduced by \$35 billion after it paid its part in the funding of the coalition led by the United States to drive out Iraqi forces.

(Bloomberg, AFP)

Winning Fans in Asia Stations Play Home-Field Advantage

By Kevin Murphy
International Herald Tribune

HONG KONG — They are thrown for a loop by rodeo, even more puzzled by American football and what cool to ice hockey. Asian sports fans want more familiar action and faces on their television screens than foreign-owned satellite and cable networks now deliver.

But as a bidding war for Asian broadcast rights and commercial sponsorship intensifies, a new local squad is forming to profit from its home-field advantage in a market where incomes and leisure time are quickly rising.

In the cultural and commercial battle for audiences and advertisers in the market where two-thirds of the world's potential sports fans live, programming could quickly become a blood sport of its own.

A group of individual, largely state-owned Asian television networks has banded together to distribute each others' programming and jointly bid for

CAPITAL MARKETS ON MONDAY

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Oct. 27. Prices supplied by Telekurs.

Rak Name	Cpn	Maturity	Price	Yield	Rak Name	Cpn	Maturity	Price	Yield
Austrian Schilling					Belgian Franc				
216 Austria	7	02/14/00	104.1000	6.7200	179 Belgium	6%	03/31/05	94.420	6.7400
British Pound					Canadian Dollar				
103 Argyl Group	8%	10/01/95	98.2000	8.2700	198 IFC	zero	09/15/00	69.0000	7.8700
140 Argyll Motor Fin	7%	02/21/96	100.7500	5.7700	212 Argen Net	10/02/95	92.8125	10.8800	
204 KFW Inf Fin	7%	12/29/00	99.0000	7.7000	215 Nth Amer Capital	B4	11/17/95	91.422	5.0000
250 Canadian					Denmark Krone				
5 Denmark	7	12/15/00	94.7500	7.3900	10 Denmark	8	03/15/05	99.8500	8.0100
10 Denmark	8	03/15/05	99.8500	8.0100	11 Denmark	9	11/17/95	107.4500	8.2400
12 Denmark	9	11/17/95	107.4500	8.2400	13 Denmark	9	11/17/95	106.5000	8.4000
25 Denmark	7	08/15/97	101.5600	6.9200	44 Denmark	zero	04/01/96	97.9831	4.7900
72 Denmark	7	08/15/97	103.2400	7.7500	72 Denmark	8	11/15/00	103.1800	8.7200
84 Denmark	9	11/15/00	103.1800	8.7200	115 Denmark	6	12/07/99	97.3700	6.1000
130 Denmark	9	11/15/00	100.0500	7.0000	186 Denmark	zero	07/02/98	99.1036	4.8000
Deutsche Mark					Deutsche Mark				
1 Germany	6%	05/12/05	102.4500	6.7100	27 Netherlands	6%	07/15/98	103.4500	6.0400
2 Germany	5%	01/22/00	101.7000	5.7700	28 Netherlands	7%	06/15/05	103.3000	6.7800
3 Germany	6%	01/22/00	101.7000	5.7700	29 Netherlands	9%	05/01/99	113.5500	7.9000
4 Germany	6%	10/14/05	100.1600	6.4900	30 Netherlands	7%	05/01/99	104.7500	7.2000
6 Treuhund	7%	09/09/04	104.3000	6.5200	31 Netherlands	6%	04/20/00	104.5000	6.4000
7 Germany	8%	01/21/02	102.7000	7.2900	32 Netherlands	7%	04/23/00	102.8500	6.7000
8 Germany	7%	01/21/02	102.7000	7.2900	33 Netherlands	7%	04/23/00	102.8500	6.7000
112 Netherlands	7%	01/21/02	102.7000	7.2900	34 Netherlands	7%	04/23/00	102.8500	6.7000
113 Netherlands	7%	01/21/02	102.7000	7.2900	35 Netherlands	7%	04/23/00	102.8500	6.7000
37 Netherlands	6%	07/22/98	104.1200	6.4000	36 Netherlands	7%	04/23/00	102.8500	6.7000
38 Netherlands	7%	01/13/00	105.9000	6.4100	37 Netherlands	7%	04/23/00	102.8500	6.7000
39 Treuhund	6%	01/13/00	103.073	6.6700	40 France	6	04/25/04	89.3300	6.7200
41 Treuhund	6%	01/20/04	98.6500	6.3400	41 France	5	01/21/97	95.1100	5.2600
42 Treuhund	6%	01/20/04	98.6500	6.3400	42 France	5	01/21/97	95.1100	5.2600
45 Germany	8%	12/20/00	111.5100	8.2500	43 France	7%	01/20/99	104.5000	6.4000
46 Germany	8%	03/20/97	105.1300	7.6100	44 France	8%	02/20/97	102.0000	5.4000
47 Treuhund	6%	03/20/97	105.1300	7.6100	45 France	8%	02/20/97	102.0000	5.4000
48 Germany	6%	04/20/95	87.2700	6.8800	46 France	8%	02/20/97	102.0000	5.4000
49 Germany	6%	01/22/01	114.1700	7.8000	47 France	8%	02/20/97	102.0000	5.4000
50 Germany	6%	05/02/97	102.2100	6.1000	48 France	8%	02/20/97	102.0000	5.4000
53 Treuhund	6%	05/09/95	101.5350	6.5200	49 France	6%	02/20/97	102.0000	5.4000
54 Germany	6%	05/09/95	102.2100	6.1000	50 France	6%	02/20/97	102.0000	5.4000
55 Germany	6%	05/09/95	102.2100	6.1000	51 France	6%	02/20/97	102.0000	5.4000
56 Germany	6%	05/09/95	102.2100	6.1000	52 France	6%	02/20/97	102.0000	5.4000
57 Treuhund	6%	05/09/95	102.2100	6.1000	53 France	6%	02/20/97	102.0000	5.4000
58 Germany	6%	05/09/95	102.2100	6.1000	54 France	6%	02/20/97	102.0000	5.4000
59 Germany	6%	05/09/95	102.2100	6.1000	55 France	6%	02/20/97	102.0000	5.4000
60 Germany	6%	05/09/95	102.2100	6.1000	56 France	6%	02/20/97	102.0000	5.4000
61 Germany	6%	05/09/95	102.2100	6.1000	57 France	6%	02/20/97	102.0000	5.4000
62 Germany	6%	05/09/95	102.2100	6.1000	58 France	6%	02/20/97	102.0000	5.4000
63 Germany	6%	05/09/95	102.2100	6.1000	59 France	6%	02/20/97	102.0000	5.4000
64 Germany	6%	05/09/95	102.2100	6.1000	60 France	6%	02/20/97	102.0000	5.4000
65 Germany	6%	05/09/95	102.2100	6.1000	61 France	6%	02/20/97	102.0000	5.4000
66 France	6%	02/29/95	102.9400	6.3100	62 France	6%	02/20/97	102.0000	5.4000
67 France	7%	12/24/02	105.0171	6.7800	63 France	7%	02/22/95	102.2833	6.4000
68 France	7%	02/22/95	102.2833	6.4000	64 France	7%	02/22/95	102.2833	6.4000
69 France	7%	02/22/95	102.2833	6.4000	70 France	7%	02/22/95	102.2833	6.4000
71 Treuhund	6%	04/23/93	109.5000	6.4400	71 France	7%	02/22/95	102.2833	6.4000
72 Germany	6%	05/09/95	102.0500	6.3300	72 France	7%	02/22/95	102.2833	6.4000
73 France	6%	03/20/95	101.6800	6.3600	74 France	7%	02/22/95	102.2833	6.4000
75 France	6%	03/20/95	101.3400	5.1800	76 France	6%	02/22/95	102.2833	6.4000
77 France	6%	02/29/95	102.9400	6.3100	78 France	6%	02/22/95	102.2833	6.4000
79 France	6%	02/29/95	102.9400	6.3100	80 France	6%	02/22/95	102.2833	6.4000
81 France	6%	02/29/95	102.9400	6.3100	82 France	6%	02/22/95	102.2833	6.4000
83 France	6%	02/29/95	102.9400	6.3100	84 France	6%	02/22/95	102.2833	6.4000
85 France	6%	02/29/95	102.9400	6.3100	86 France	6%	02/22/95	102.2833	6.4000
87 France	6%	02/29/95	102.9400	6.3100	88 France	6%	02/22/95	102.2833	6.4000
89 France	6%	02/29/95	102.9400	6.3100	90 France	6%	02/22/95	102.2833	6.4000
91 France	6%	02/29/95	102.9400	6.3100	92 France	6%	02/22/95	102.2833	6.4000
93 France	6%	02/29/95	102.9400	6.3100	94 France	6%	02/22/95	102.2833	6.4000
95 France	6%	02/29/95	102.9400	6.3100	96 France	6%	02/22/95	102.2833	6.4000
97 France	6%	02/29/95	102.9400	6.3100	98 France	6%	02/22/95	102.2833	6.4000
99 France	6%	02/29/95	102.9400	6.3100	100 France	6%	02/22/95	102.2833	6.4000
101 France	6%	02/29/95	102.9400	6.3100	102 France	6%	02/22/95	102.2833	6.4000
103 France	6%	02/29/95	102.9400	6.3100	104 France	6%	02/22/95	102.2833</td	

The Week Ahead: World Economic Calendar, October 30 - November 3

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	New Delhi India International Power Generation Exhibition and Congress, organized by International Trade & Exhibitions Pvt.	Earnings expected Banco Central Hispano.	Boston Fall Internet World Conference and Exhibition, sponsored by Meckler Media. Through Nov. 2.
Monday Oct. 30	Hong Kong Consul-General Yoshiji Nogami speaks on "Japan in Asia" at Foreign Correspondents Club. Manila Malaysia Airlines hosts two-day annual meeting of International Air Transport Association.	Brussels October consumer prices. London October M-0 money supply. M-0 rose 0.5 percent in September from August and 5.4 percent from the previous year.	Las Vegas Wireless Data Convention, sponsored by Cellular Telecommunications Industry Association at the Mirage Hotel.
Tuesday Oct. 31	Manila Jeffrey Sachs, professor of international trade at Harvard University speaks on economic reform in the former Soviet bloc at the Asian Development Bank. Tokyo September unemployment. Forecast: Expected to remain at 3.2%.	Brussels European Commission expected to approve bailout of SEAT, the Spanish unit of Volkswagen. Paris September unemployment. Forecast: Unchanged at 11.4%. Earnings expected KLM, Thames Water.	College Park, Maryland University of Maryland conference on growth and social equity in Colombia. For information: (1-401) 576-0022.
Wednesday Nov. 1	Tokyo Shoichiro Toyoda, president of Keidanren, holds press conference. Tokyo New-car sales for October. Earnings expected Nippon Yusen, Kawasaki Kisen, Showa Line.	London August merchandise trade. The July deficit was \$1.1 billion. Stockholm October new-car sales. Earnings expected Aga, Treiborg, Whitbread.	New York Conference Board's consumer confidence survey for October. Forecast: Rise to 98.4. Ottawa August gross domestic product.
Thursday Nov. 2	Melbourne Pacific Dunlop annual meeting. Earnings expected Hongkong Telecom, Nissan Motor, Mitsubishi Oil, Mitsui Mining, Telecom Corp.	Copenhagen September unemployment. Earnings expected Akzo, Boots, Kwik Save, Royal Dutch/Shell, S-E Banken.	Washington December new-home sales.
Friday Nov. 3	Manila Guoco Land annual meeting. Sydney Ampolex annual meeting.	Brussels October unemployment, October budget deficit and October new-car registrations.	San Jose, California Semiconductor Industry Association's forecast for 1996 semiconductor product sales. Washington September factory orders. Earnings expected Conoco, Rogers Communications.
Saturday Sunday Nov. 4-5	Earnings expected Creative Technology.	Nothing scheduled.	Washington October unemployment and nonfarm payrolls. Forecast: Unemployment 5.7 percent, payrolls up 104,000. Earnings expected Canadian Pacific.

Bank of Japan Supplies a RemedyBy Carl Gewirtz
International Herald Tribune

PARIS — The threatened contagion of the Japanese banking system's fragility to international markets appears to have been contained by the Bank of Japan's willingness to accommodate the foreign currency needs of the country's banks.

The banking system's problems with bad domestic loans began to spread abroad when foreign banks — fed up with official inaction to deal with the problem and with the uncertainty of its size — started charging penalty rates to lend to the Japanese, the largest borrowers in the international interbank market.

Where credit is available, the "Japan premium" on interbank loans now ranges from just over a quarter percentage point to a full point over the quoted interbank offered rate, the usual dealing level. Banks typically borrow three-month money to finance longer-term commitments, aiming to profit from the usually wide difference between short- and long-term interest rates.

What is happening, these analysts say, is that the Bank of Japan is supplying unlimited liquidity in the domestic market

and is encouraging the banks to substitute domestic money-market liabilities for the offshore dollar borrowings that they are unwilling to take on.

The borrowed yen is sold for dollars and at the same time dollars are sold for yen in the forward market. This swap eliminates the foreign exchange risk for the banks. The swap counter-party is believed to be the Bank of Japan.

"Effectively," said Mr. Brown, the central bank's "foreign reserves are being used as backing for the refinancing in yen; the central bank is virtually lending the dollars out of its own reserves."

He said there was "extraordinary tightness in the Japanese money market last week as banks scrambled to refinance in yen."

"The central bank subsequently has aggressively injected a huge amount of liquidity to

prevent domestic rates from rising," Mr. Brown said.

The central bank is alleviating the immediate strains on the Japanese banks. As a result, "the pressure is not so great as it might otherwise have been," Mr. Brown said.

But the banks cannot expand their international activities under present circumstances and remain under pressure to reduce their foreign exposure, he said.

For Ms. Sasaki-Smith, the Japan premium is a clear message to the Ministry of Finance that it must tackle the bad-loan problems of the Japanese banks. The market is looking for a convincing, concrete solution, even if the result takes five years or more to contain the damage, she said.

Unfortunately, she said "the momentum for a solution seems to have been lost in the clash between political populism opposed to a bail-out and reality."

BUSINESSWEEK**This week's topics:**

- Inside The Dirty War For Global Business
- Behind The Currency Collapse In Europe
- Computers: A Buying Guide
- Rough Recovery Ahead For Mexico
- Investors Turn From China To Southeast Asia

Now available at your newsstand!**BusinessWeek International**
Lobigasse 19, D-60323 Frankfurt, Fax 49-69-71407-148
For subscriptions call UK 44-1828-23451 Hong Kong 852-2523-2
fax UK 44-1828-30545 Hong Kong 852-2523-6**SITE:
Navigating East**

Continued from Page 13

"I think it's very well organized, and the graphics are quite well designed, and the color coding of the modules makes it easy for an amateur or newcomer to navigate around it."

But while Mr. Varmum said the service lacked in-depth commentary and criticism, he did not know of a better, more comprehensive site covering this region.

The navigator also allows users to click onto an advertisement icon, opening a sponsored page. These pages feature pictures of hotels, restaurants, banks and other businesses that serve as interactive brochures offering electronic-mail addresses and other contact numbers to make reservations, hire a broker, or place an ad.

"Our ad rates can potentially be less than print," said Mr. Rothstein, EIN's director of sales and marketing. "Printing is pretty expensive, and you're pretty much limited to the ads you can run. This is an infinite service."

Mr. Rothstein said advertisers were warming up to projects like his because they realized that "users are not just people who use the Internet. They're all consumers. They all buy cars and go shopping and buy airplane tickets."

Major clients already onboard include Kentucky Fried Chicken's Czech division, Pup International Travel Consultants, and Hotel Intercontinental in Prague. EIN expects to work with a major international advertising firm to sell additional ads and they hope to attract a major label to sponsor the arts and entertainment section.

Citing published reports of other internet advertising rates, EIN expects to receive between \$5,000 to \$10,000 per month for prime placements, he said.

Sarka Zarnanova, marketing manager for Kentucky Fried Chicken in Prague, said her company signed on out of curiosity. "We wanted to try it because it's a new media in the Czech Republic," she said.

Ms. Fraine said she thought other established companies would sign up because they would receive an image boost by advertising on the Internet. "It makes them seem that much more hip," she said.

■ Safe Networking
CompuServe Inc., the second-largest computer-based information network in the United States, plans to create an online service for novice computer users and people who want a "safe" on-line environment. The New York Times reported Sunday.

The proposed service, called Project Wow, is intended to appeal to "technophobes, refugees from other services and scared parents," as well as children and adults who want an easy-to-use system, said Scott Kaufman, vice president for consumer markets.

Internet address: Cyber-Space@ihh.lib.demon.co.uk

CURRENCY AND CAPITAL MARKET SERVICES**SURGE TRADING S.A.
FOREX & FUTURES BROKERS
THE SWISS DIFFERENCE**

21-23 Rue du Clos, CH-1211 GENEVA 6
Tel.: (41) 22-7002051 Fax: (41) 22-7002061
24/24 HOURS OESX - SEE CNN-TEXT PAGE 695

ARE YOU SATISFIED WITH YOUR GLOBAL INVESTMENT RETURNS?

The International Currency Market (FOREX) is the largest and most liquid marketplace in the world. Call today and receive our free report, performance records, and demo disks. We will show you how to put this dynamic marketplace to work directly for you.

To receive your free report and demo disks, call toll-free.

Netherlands 06-022-0657 Switzerland 155-7233
France 0590-2246 U.K. 0800-96-6632
Germany 0130-52-9666 Belgium 0800-1-5880
Denmark 8001-6132 Greece 00-800-11-921-3013
Luxembourg 0800-4552 E-mail fcm@Gramercy.ln.com
Toll lines N. America +1-376-8025(fax) +714-376-8020(voice)

PETER CATRANIS SENIOR TRADER

Mr. Catranis is an 18 year veteran currency trader. He is Chairman of the International Association of Market Technicians. He has researched hundreds of trading methods and authored numerous publications and software programs. Currently he is accepting a limited number of new accounts, minimums \$15,000 to \$5,000,000.

FOREX CAPITAL MANAGEMENT Excellence in confidential trading services.

TRADE NASDAQ STOCKS FOR \$35 COMMISSION.

JB OXFORD & CO, established 1983 is a leading discount broker handling in excess of 10,000 trades per day. Through our Representative Offices in Switzerland investors can now buy or sell NASDAQ stocks for \$35 commission. Call for further details.

TELEPHONE
(41) 61 279 8870

**IFEXCO S.A.
FOREX BROKERS
THE RELIABLE PARTNER**

GENERAL: 41 22/849 74 11
24/24 DEALERS: 41 22/849 74 45
FAX: 41 22/700 19 13

THE BEST SERVICE 24 HOURS A DAY
International Foreign Exchange Corporation S.A.
86 Bis Route de Frontenex
1208 GENEVA - Switzerland

**HERALD SECURITIES AG
Your Futures & Options Trading Partner**

A comprehensive service to IB's and Private Clients; major market coverage, competitive commissions, market news, information and charting. Extensive back office facilities.

Chamerstrasse 14, P.O. Box 4818, CH-6304 Zug, Switzerland
Tel: +41 42-22 36 78 Fax: +41 42-22 27 00

For further details
on how to place your listing contact:
WILL NICHOLSON in London
Tel: (+44) 71 836 48 02
Fax: (+44) 71 240 2254
Herald Securities

You want

long term

D-Mark value. It's easy to see why German Pfandbriefe

rank so high among D-Mark fixed-interest securities. Especially for investors seeking long-term value in a stable currency. First there's safety. Thanks to the strict legal framework of the Mortgage Bank Act (1900), Pfandbriefe are as secure as Bunds. In fact, investors have never missed an interest or principal payment. Then there's yield. Despite their unsurpassed safety, Pfandbriefe usually offer a yield pick-up over Bunds, rising at the longer end of the maturity curve. As for liquidity, Pfandbriefe are officially quoted on German stock exchanges, issuers actively maintain a secondary market. And market transparency is enhanced by the PEX Index. It all adds up to an instrument that has stood the test of time, accounting for 40 % of Germany's DM 3 trillion bond market. To build long-term value, consider the Pfandbriefe issued by Germany's private mortgage banks.

For further information about German Pfandbriefe please contact

The Association of German Mortgage Banks (VDH) in Bonn, Fax (228) 9 59 02 44.



The German Pfandbrief
Solid from the ground up

GERMANY'S MORTGAGE BANKS

- 1 DEPFA-BANK, WIESBADEN
- 2 BAYERISCHE VEREINSBANK AG, MÜNCHEN
- 3 HYPO-BANK, MÜNCHEN
- 4 DEUTSCHE HYPOTHEKENBANK FRANKFURT AG, FRANKFURT
- 5 RHEINHY, FRANKFURT
- 6 DEUTSCHE GENOSSENSCHAFTS-HYPOTHEKENBANK AG, HAMBURG
- 7 FRANKFURTER HYPOTHEKENBANK AG, FRANKFURT
- 8 BAYERISCHE HANDELSBANK AG, MÜNCHEN
- 9 WESTHY, DORTMUND
- 10 HAMBURGHYP, HAMBURG
- 11 MÜNCHENER HYPOTHEKENBANK EG, MÜNCHEN
- 12 SÜDDÄUTSCHE BODENCRDITBANK AG, MÜNCHEN
- 13 WÜRTTEMBERGER HYPO, STUTTGART
- 14 BERLIN-HANNOVERSCHE HYPOTHEKENBANK AG, HANNOVER
- 15 HYPOTHEKENBANK IN ESSEN AG, ESSEN
- 16 BERLIN HY, BERLIN
- 17 ALGEMEINE HYPOTHEKENBANK AG, FRANKFURT
- 18 HÖRMERINGER HYPOTHEKENBANK, NÖRNBERG
- 19 DEUTSCHE HYPOTHEKENBANK (ACT.-GES.), HANNOVER
- 20 RHENBODEN HYPOTHEKENBANK AG, KÖLN
- 21 LÜBECKER HYPOTHEKENBANK AG, LÜBECK
- 22 NORDHYPO BANK, HAMBURG
- 23 CLF HYPOTHEKENBANK BERLIN AG, BERLIN
- 24 BFG HYPOTHEKENBANK AG, FRANKFURT
- 25 WL-BANK, MÜNSTER
- 26 M.M. WARBURG & CO HYPOTHEKENBANK AG, HAMBURG
- 27 WÜSTENROT HYPOTHEKENBANK AKTIENGESELLSCHAFT, LUDWIGSBURG

* At their respective annual general meetings on May 10/11, 1995, Frankfurter Hypothekenbank and Commerzbank merged to form Commerzbank Frankfurter Hypothekenbank.

Private Banking

Offshore Centers Gain Respectability

By Martin Baker

THE universe of offshore private banking and offshore asset management is growing bigger by the day. And the offshore centers from which business is done are experiencing a special type of growth that comes with the gradual accretion of capital.

It is called respectability, and it is beginning to affect even the more remote private banking locations.

Europe affords as good an example as any.

"I regard Europe as two continents—offshore Europe and onshore Europe. Capital is flowing to offshore Europe at the rate of around 500 million Swiss francs (\$443 million) per annum," said Roland A. Jansen, director of fund management at Liechtensteinische Landesbank, the oldest bank in Liechtenstein.

The flow increases in volume every time someone like Steffi Graf's father is arrested, every time government officers raid a brokerage and confiscate the diaries of the sales force," Mr. Jansen said.

He identifies Jersey and Guernsey in the Channel Islands, Switzerland and Liechtenstein as the prime private banking centers in Europe.

But, he adds, once-ignored locations like Gibraltar and Malta are now beginning to attract more money and to be taken seriously.

"Private banking is also about culture," he adds. "Gibraltar and Malta are much more for the English-speaker. The German-speaking world focuses on the prime locations."

Culture—notably the mother tongue of the natives—is a key factor in determining whether a bank would be private banking center will work.

Other important aspects that contribute to a successful private banking business are the right balance between vigilant regulation and the discretion that many private banking clients put at a premium, "and proximity—both physical and temporal.

Some private bankers argue that clients may not be concerned at having their bank a considerable distance away—

what they won't put up with is their money being at the wrong end of their working day.

Lee Williams, an international tax partner at Ernst & Young in Paris, contends that physical proximity helps to account for the concentration of American clients in the Caribbean private banking centers.

He sees the Channel Islands and Luxembourg as increasingly dominant in European private banking, and maintains that some of the lesser-known centers, such as the island of Labuan in the Brunei Bay, and Mauritius in the Indian Ocean, have primarily localized attractions.

"Mauritius is doing a good job," Mr. Williams said. "It is developing its legal and physical infrastructure, but will be of specific interest to investors from and in South Africa and India."

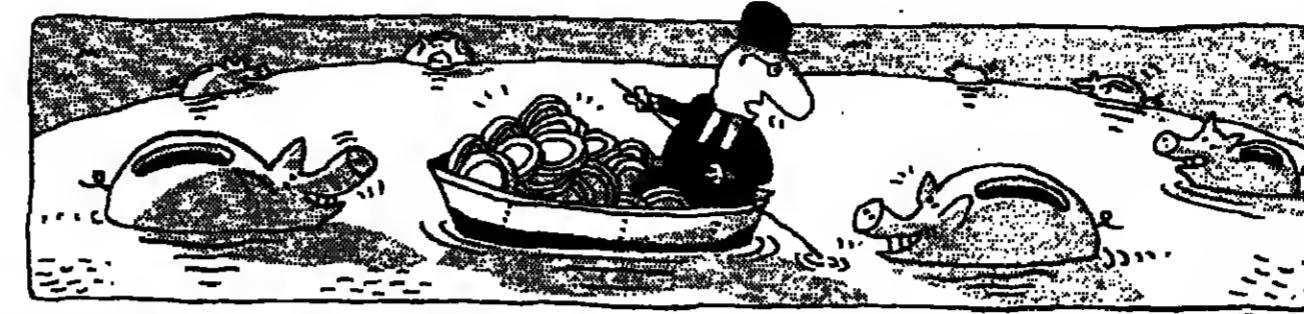
He regards Labuan in a similar light, with specific charms for investors in and from Indonesia.

DENIS Fontaine-Besset, a lawyer specializing in private banking at Arthur Andersen in Paris, says that being local is not good enough. In the conservative world of French private banking, clients typically want to be close to their money and be sure that it is in a first-class location.

"Places like Cyprus may have a more attractive banking environment than before, but I'm not aware of much French money being placed there," he says. Mr. Fontaine-Besset cites the Channel Islands and Luxembourg as the prime choices of the French client.

Peter Garland, London-based editor of Offshore Alert, a newsletter that examines commercial, regulatory and legal developments offshore, agrees that the Channel Islands are certainly the most prominent location in modern private banking. He cites the growth of Crédit Suisse in Guernsey as an example. The Swiss bank first opened a Guernsey office in 1986 with about 15 staff and now has some 280 people working there, according to Mr. Garland.

He said that Cyprus and Malta are among the more interesting "upwardly mobile" offshore banking locations, al-



Country	Assets	Type of banking	No. of existing offshore companies	Taxation of:	
				Total	Trade income
Bahamas	\$50n	\$330bn	1,400	Yes	0
Barbados	\$10n	\$250n	1445	Yes	0
Bermuda	\$13.7bn	N/A	9,008	Yes	0
Bolivia	\$1.5bn	\$1.4bn	165,000 ⁽¹⁾	Yes	3%-20%
Cayman	N/A	\$415bn	31,000	Yes	0
China	N/A	\$160bn	17,000 ⁽¹⁾	Yes	0%-20%
Cook Islands	N/A	N/A	NO	Yes	37%
Croatia	\$1.5bn	N/A	NO	Max 45%	0
Gibraltar	Not Disclosed	\$2.5bn	50,000 ⁽¹⁾	Yes	20%-50%
Guernsey	\$2.13bn	\$5.5bn	13,000	Yes	20%
Isle of Man	\$4.75	\$13.49m	5,800 ⁽¹⁾	Yes	15-20%
Jersey	\$22.6bn	\$77.4bn	25,259	Yes	20%
Labuan	\$400m	Not Disclosed	197	Yes	2-34%
Lichtenstein	Not Disclosed	Not Disclosed	70,000	Yes	3.6-17.6%
Luxembourg	\$340bn	\$517bn	10,668	No	0-51.25%
Macedonia	0	Not Disclosed	1,570	Yes	0-20%
Malta	0	\$600m	1,500	Yes	0-30%
Montenegro	\$1.3bn	N/A	1,987	Yes	0-15%
Panama	N/A	\$28.5bn	277,000	Yes	4-33%
Qatar, Doha	N/A	N/A	NO	0	0
Vanuatu	\$100m	\$100m	1100	Yes	0

⁽¹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁵⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁶⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁷⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁸⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹⁰⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹¹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹²⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹³⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹⁴⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹⁵⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹⁶⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹⁷⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹⁸⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽¹⁹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²⁰⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²¹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²²⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²³⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²⁴⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²⁵⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²⁶⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²⁷⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²⁸⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽²⁹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³⁰⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³¹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³²⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³³⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³⁴⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³⁵⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³⁶⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³⁷⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³⁸⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽³⁹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴⁰⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴¹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴²⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴³⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴⁴⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴⁵⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴⁶⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴⁷⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴⁸⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁴⁹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁵⁰⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁵¹⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁵²⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁵³⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

⁽⁵⁴⁾ Figures are estimates. The Cayman Islands and China are likely to have many more companies than are currently present. Banking, bank treasury, insurance, trust and investment companies are not included in the statistics.

U.S. Banks Pursue Rich Asian Clients

By Lisa Twaronite

LOS ANGELES — American private bankers are busy rolling out red carpets for a category of customers they long neglected: Asian-Americans and Asian expatriates.

The range of client services varies greatly depending on the size and type of an individual's account, but bankers often go to great lengths to cater to the needs of their best clients.

"We do all kinds of errands for them," said an international banker who handles private Asian accounts for a New York-based brokerage that operates as a bank overseas. "We're really at their beck and call."

Discretion is key to any banking relationship, she said, but especially when requests go beyond normal business matters.

"We've done things like making sure clients' mistresses get money and that their wives don't find out about it," she said. "Some of these clients have kids in boarding school or college over here, and we pick the kids up, take them to the supermarket, things like that. Sometimes we invite them over for a home-cooked meal."

Her operation has also performed spot-checks on a local hotel owned by one

Japanese client, to make sure it was being managed properly.

"Since most of these people are across the ocean," she said, "they need someone to take care of their property here, to check on their yacht at the marina, maybe air out their house here before they come for a visit."

Such service does not come cheap. The banker, who spoke on the condition she not be identified, said the minimum for the accounts she handles is \$100,000, but most are in the multimillion-dollar range.

The clients are mostly from Japan, Hong Kong and Southeast Asia.

In addition to overseas Asians, Asian-American clients are also worth targeting, said Mindy Ying, vice president and manager of Asian market development in the trust/investment and private-client services division of First Interstate Bancorp.

"There's a tremendous opportunity in this market," said Ms. Ying, who is responsible for Asian business clients as well as individuals.

"Asians love to save money and they love to go to school," she said, noting that they have higher savings rates and achieve a higher level of education than the average American.

"A \$50,000 account may be relatively small, but it will generate a lot of good references," she said.

LISA TWARONITE is a freelance writer based in Los Angeles.

Asian Fortunes and Fears Draw Bankers

By Kevin Murphy

HONGKONG — New fortunes and old political worries put Asia atop most serious private banks' list of key markets for expansion.

But reflecting the wide range of institutions now in place and those coming,

bankers divide on the best strategy for developing a market that represents at least 15 percent of offshore private-banking assets worldwide.

"It's extremely competitive in Asia these days," said the Hong Kong head of a European bank offering private-client services. "But with all those missiles flying around Taiwan this summer, I think many of us are attracted a lot of oew business."

A ratcheting up of the long-standing rivalry between China and Taiwan, which Beijing still regards as a renegade province, saw China test-firing missiles in the waters around Taiwan in July and August.

Ensuing chaos in the local stock market and a jolt to currency markets spurred the families who have helped create Taiwan's economic miracle to

think seriously of putting more of their wealth offshore.

"Investors are increasingly attuned to political risks," said Georges Vergnon, head of client relations in Asia, the Middle East and Europe for Chase Manhattan Private Bank.

"They can quickly react to uncertainty — it only takes a few minutes these days."

Some of his clients told Mr. Vergnon that the turbulence in relations was, in the long run, a sign that China and Taiwan — and their economies — would be coming closer together.

Better economic relations promise expanded business opportunities on both sides of the Taiwan Strait, but for many Asian entrepreneurs, there is a big difference between the risks they will take in business and those they are willing to accept for their hard-woe wealth.

"The No. 1 priority for these entrepreneurs is preserving their family assets," said Mr. Vergnon. "At the same time, though, they want to leverage what they have and create more wealth."

Hence lies one of the key strategic differences between institutions offering private-banking in Asia. Do you merely con-



Some Taiwanese investors are looking abroad.

centrate on the long-established "safekeeping" style of wealth protection? Or do you supplement that with a full-service offering of corporate finance products and opportunities?

"Traditional private banking is not enough in this part of the world," Mr. Vergnon said. "Unless you have a multiproduct, multiservice approach that can support further wealth creation, your chances of success are limited."

But some of the more old-fashioned banks disagree.

"We have only one activity," said Hans Spillman, managing partner of Switzerland's Lombard Odier & Cie., a private bank and asset management house that recently began to expand in Asia. "We don't do real estate, we don't do venture capital, we don't get directly involved where you need special expertise."

Unless clients ask for particular investments, which they can help arrange through specialists, Lombard Odier invests their funds in equities and bonds.

A long-term relationship and low-risk, liquid investments hold steady appeal for many rich families in places like Hong Kong, where enormous wealth has been generated in the past three decades, but where the July 1997 handover to Beijing has stirred caution about the future.

"A few years ago a lot of people made arrangements here to park their money offshore," said another Swiss banker in Hong Kong, who asked not to be identified. "They are already adventurous enough in their day-to-day style of business."

"But many now realize they have made a lot more new money and it's time to think about sending more of it offshore," the banker said. "And you'd be

surprised how many people have only begun to think about it now."

While funds are flowing out of Hong Kong, dispatched by established local families ahead of the handover, the British colony remains a favored destination for money from other parts of Asia. Chase Manhattan estimates that Hong Kong accounts for 5 percent of offshore private-banking assets.

Although bankers report many of their Philippine clients have been sending funds back home given the recent economic turnaround there, Thailand, Indonesia, Malaysia and China represent growing sources of business for private bankers.

Longstanding frictions between overseas Chinese communities and ethnic majorities in several Southeast Asian countries are a persistent factor in many families' offshore banking plans, bankers said.

But private banking in Asia is not just about finding an offshore hole-in-the-wall. With economic growth in the region outpacing that of the rest of the world, many wealthy Asians remain on the prowl for greater gains.

The high incidence of family-owned businesses throughout Asia coupled with growing interest in the region by financiers from afar allows global institutions to play matchmakers for private clients and institutions around the world.

Large companies like Chase are increasingly trying to offer the type of financial assistance reserved in the past for purely commercial and industrial clients. "You want to be the trusted financial advisor whether it is for family or business needs," Mr. Vergnon said.

KEVIN MURPHY writes from Hong Kong for the International Herald Tribune.

Banks Leery of Russia

Continued from Page 17

to accountants and solicitors, Ernst & Young, the accounting firm, has worked with Russian companies that have business interests in Western Europe. A spokesman for the company said that he would not be interested in dealing with wealthy Russian individuals because of the risks involved.

George McDonald, a partner in the London law firm Salans Hertzfeld Heilbronn, said he doubted if many Western law practices would handle this sort of business. He said that affluent Russians would probably have more luck with lawyers in offshore centers.

There is little doubt that the proceeds of narcotics sales and other criminal activities has filtered into the West from Russia. The Criminal Intelligence Unit in London is compiling a dossier on organized Russian crime in Britain. Until the study is complete, it is unwilling to comment on the full extent of the problem.

Swiss authorities, too, are concerned about the problem.

This week, the Justice Department in Bern expressed concern that money from criminal activities in Eastern Europe was being invested in Swiss businesses. The report did not criticize the Swiss banks directly, but it did hint that greater vigilance needs to be exercised by onshore financial service providers.

Sylvia Marille, a spokeswoman for the Association of Swiss Banks in Basel, dismissed the report as "pure speculation."

"Swiss banks will not accept foreign money if the source is questionable. The banks must adhere to strict money laundering guidelines and act with due diligence when vetting foreign clients," Mrs. Marille said. But she added that "There is always room for improvement, however."

The Swiss Federal Banking

Commission, the banks supervisory body, found that money from Eastern Europe represented just 1 percent of all international funds on deposit in 25 leading Swiss banks, a still hefty 5 billion Swiss francs (\$4.4 billion).

ANALYSTS blame the instability of the Russian banking system for the capital flight.

"People genuinely fear for the security of their money," said Stuart Christie, the former editor of Arguments and Facts International, a Russian business magazine. "Many commercial banks operate quasi-illegally, ignoring the dictates of the central bank. No one knows for sure who is behind some of these organizations. The central bank is attempting to impose more checks in the system to bring banks into line. Some banks fear that their funds will be sequestered following the imposition of these new controls."

"Given these circumstances," he added, "many people are not prepared to wait for central bank approval. It is arguably less complicated to fill a suitcase full of dollars and catch the next flight out of Russia."

Cyprus is a popular destination for both Russian tourists and investors because of its proximity and the historical links between the two countries.

The banking laws in Cyprus are considered by many to be less stringent than the laws in other jurisdictions.

A spokesman for a leading international accountancy firm with offices in Cyprus said: "Few of our clients bank in Cyprus, however. They prefer the relative secrecy of Swiss banks."

BARBARA WALL is a journalist based in Paris who specializes in financial topics.

So you think we're just a computer company.

How reliable is the rest of your information?

Sometimes perception takes time to catch up with reality. So here is reality: Unisys is not just a computer company any more.

Yes, we do still sell a lot of computers. But it's more accurate to think of us as the *information management company*.

We can help you identify, collect, analyse and direct your vital company information at the points in your decision making and customer service systems that really matter.

What this means in practice may surprise you. For example: Today nearly a third of our business comes from IT services - systems integration,

outsourcing and consulting. They are our company's biggest single source of revenue and they make us one of the largest service providers in the world. We employ 7,000 service professionals who work with clients to design creative solutions to their most pressing business challenges.

In partnership with other industry leaders such as Oracle, Microsoft, Novell and Intel - we provide a wealth of applications that keep our

clients in the forefront of emerging developments.

But size and numbers don't tell the whole Unisys story. As the information management company, we combine services, industry knowledge and enabling technology to transform the way our clients use information, so they can make decisions that are more effective and deliver better service.

To receive your own 'Guide to Information Management' facts kit, fax Graham Roberts on +44 1895 882807.

And start changing the way you think about a company that does a lot more than you thought.

UNISYS

THE INFORMATION MANAGEMENT COMPANY

PRIVATE BANKING / A SPECIAL REPORT

Service in the Era of Mergers

By Barbara Wall

THE spate of U.S. and European bank mergers this year shows little sign of abating, leaving many customers wondering what will become of service at their branch.

Lloyds Bank PLC in England and Trustee Savings Bank in Scotland announced their intention to consolidate earlier this month. In America, Wells Fargo & Co. has launched a hostile takeover bid for First Interstate Bancorp. of Los Angeles, and BankAmerica Corp. has been reported to be discussing a merger with NationsBank Corp. of North Carolina.

All of this follows on the heels of the huge merger of the New York banking giants Chase Manhattan Corp. and Chemical Corp.

Since mid-July, there have been 20 bank merger deals in the United States and about half that number in Europe.

But are customers getting shortchanged as banks consolidate, often trimming staff in the process?

Reports of branch closures and reductions in staff are particularly worrisome for those who prefer personal service to high-tech telephones and computer banking. Small-business customers, in particular, are apprehensive about the possible disruptions that a merger could bring. Then there is the fear that with fewer competitors in the market, mean service will suffer.

But a NatWest Securities Ltd. spokeswoman in New York said that many of these fears are unfounded.

"If any branches are to be closed," she said, "it will be those which overlap. There is still an unbelievable amount of competition in the U.S. Whereas before, banks would compete on a regional basis, they now attempt to solicit customers on a nationwide basis with such ploys as credit-

card mailings. The increased competition is compounded by nonbank competitors that offer financial services. The superbanks cannot afford to be complacent in these circumstances."

But others are not so sure. "In their drive for greater cost efficiency," said John Leonard, European banking analyst for Salomon Brothers Inc. in London, "the superbanks will, in all likelihood, start to cut back on those personal services that do not bring in revenue."

"We have already seen this happen with the major clearing banks," he added, "where only checking accounts are free and everything else carries a fee."

Banks are consolidating at breakneck speed to survive competition from credit-card companies and other financial institutions, analysts said. Many of them see a merger or an acquisition as the best means of cutting costs and delivering the expensive technology that customers have come to expect.

Such consolidation and movement toward high-tech banking does not necessarily mean service will suffer. The August merger of two top British building societies, the Leeds Permanent and Halifax, has resulted in just one branch closure so far.

Celia Rowland, a senior spokeswoman for the bank, said customers now have more access to more branches and automated teller machines.

"Prior to the linkup," she said, "Leeds Permanent had around 120 ATMs. The figure has since shot up to 1,600. The Halifax originally had 600 branches. Customers now have access to over 1,000."

Halifax argues that it now can offer customers cheaper and more innovative products.

"The bank has cut its mortgage arrangement fees from £250 (\$390) to £100 and in-

roduced a new range of fixed-interest and discounted mortgage products," Ms. Rowland said. "Later this year we plan to launch a phone banking service for current-account holders."

For savings account customers, the merger will bring an additional bonus. The bank's decision to convert to a public limited company means that customers will be entitled to free shares in the new enterprise.

Mr. Leonard, though, said he worried that mergers would hit corporate customers, especially small businesses, the hardest.

Different banks have different credit standards," he said. "If the senior partner in a merger believes that the junior partner has too much risk exposure, it may decide to restructure its partner's lending strategy. Some corporate customers may then have to look elsewhere for their loans."

This happened recently following the combination of the Finnish banks Unitas Ltd. and Kansallis-Osake-Pankki.

"Unitas, the senior partner in the merger," Mr. Leonard said, "felt that KOP's lending strategy needed substantial revision. It decided to impose its own credit culture and standards on the new organization. Many of the original corporate customers of KOP were no longer welcome as a result."

In Europe, business lending is the preserve of a small number of large banks. If just a handful of these banks merge, the problem for smaller corporate customers, who are often prime private banking customers, could be acute.

Customers may be hard-pressed to find another institution that is willing to offer the level of financing needed.

In the United States, most business lending takes place in the capital markets, where the banks act as intermediaries for their corporate customers, so that problem is unlikely to arise.

Luxembourg Under Siege

By Conrad de Aenlle

LUXEMBOURG — It is no secret that Europe's largest offshore financial center covets its reputation for protecting client confidentiality. That reputation itself has been hard to protect, however, after some ugly events in the past year involving German banks: the release of account details by a blackmailer and raids on bankers' homes by German tax authorities.

Bankers in the Grand Duchy, wedged between Belgium, France and Germany, are putting a brave face on the highly publicized breaches of privacy. They insist that business has not diminished, that security at Luxembourg banks is sound and that the future of the country's special tax status within the European Union is assured.

Representatives of Commerzbank declined to discuss the case or the bank's record-keeping and security procedures, and officials at the monetarily institute, Luxembourg's financial regulator, refused repeated requests for interview for this article.

There have been a number of highly publicized raids in which records were seized at the German homes of officials of Luxembourg banks.

As do most offshore bankers, those in Luxembourg say that while confidentiality is assured, the country's tax status is incidental to its broader financial-service business. About \$200 billion in mutual fund assets are managed from the duchy.

However, the indecent inquiries of the German tax man have revived worries that Luxembourg might at last be com-

pletely brought to heel. After all, the thinking goes, a German bank in Luxembourg is about as safe as a German bank in Germany and pays roughly the same rate of return, so those Deutsche marks must be there thereafter, German tax inspectors took a special interest. After all, the thinking goes, a German bank in Luxembourg is about as safe as a German bank in Germany and pays roughly the same rate of return, so those Deutsche marks must be there to avoid tax.

An unlucky group of Commerzbank AG account holders fell victim to German tax authorities after a blackmailer stole a list of the bank's Luxembourg customers. The bank refused to meet the thief's demands, and the list ended up in the hands of German tax authorities.

A German tax investigator told the Frankfurt court that convicted the blackmailer earlier this month that as many as 2,000 customers were being investigated after authorities had studied the list of account holders.

Representatives of Commerzbank declined to discuss the case or the bank's record-keeping and security procedures, and officials at the monetarily institute, Luxembourg's financial regulator, refused repeated requests for interview for this article.

There have been a number of highly publicized raids in which records were seized at the German homes of officials of Luxembourg banks.

As do most offshore bankers, those in Luxembourg say that while confidentiality is assured, the country's tax status is incidental to its broader financial-service business. About \$200 billion in mutual fund assets are managed from the duchy.

However, the indecent inquiries of the German tax man have revived worries that Luxembourg might at last be com-

The banks, mostly subsidiaries of German banks, helped to bring the wrath of the tax police upon themselves. One placed an ad in a widely read German financial daily pointing out how close its Luxembourg branch was to the airport, which would make it easy for depositors to fly in, drop off cash and fly out. It was a bit of effrontery the German authorities could hardly ignore.

"We consider secrecy laws tough here, and no foreign authority can come here and get information," said Lucien Thiel, managing director of the Luxembourg Bankers' Association. To obtain information, he explained, a foreign agency must first get approval from a judge in its own country. Then a Luxembourg judge must approve the request, and such a court order would be granted only when gross fraud is suspected.

As do most offshore bankers, those in Luxembourg say that while confidentiality is assured, the country's tax status is incidental to its broader financial-service business. About \$200 billion in mutual fund assets are managed from the duchy.

However, the indecent inquiries of the German tax man have revived worries that Luxembourg might at last be com-



Some investors are worried about privacy.

While he might help his country keep its various privileges in his new role, it is also possible that his responsibilities in Brussels will lead him to push Luxembourg to conform to EU rules.

CONRAD DE AENLLE writes about finance and investment from London.

IF YOU HAD SOMETHING you wanted to protect and nurture, you could familiarize yourself with hundreds of global markets, develop an uncanny knack for predicting the rise and fall of interest rates, stay on top of the relative strengths of 140 currencies, master the most complex financial instruments, consistently give yourself informed and objective advice, and take a full-time job monitoring all of your financial decisions.

OR YOU COULD JUST TALK TO YOUR PRIVATE BANKER.

At a time of increasing volatility, a Citibank Private Banker offers the reassurance you've been looking for. A skilled financial advisor who's committed to thoroughly understanding you and your needs, your Private Banker is backed by a global team of investment experts. Drawing on Citibank's unrivaled presence and capabilities in markets and currencies around the world, they pinpoint opportunities that are right for you. You'll receive informed, objective advice about the proper allocation of your assets, and about entering and exiting appropriate markets. And you'll benefit from risk management solutions that help reduce your exposure to the hazards of fluctuating markets. As long as you are a client you have on your side specialists on six continents to help you manage your investments in line with your goals, and, in good times and bad, help you make the right financial decisions. To learn more about the rewards of a relationship with The Citibank Private Bank, please call: in London, Juliet Roadnight, 44-171-409-5978; in Paris, Francois Hervé, 33-1-4443-4501; in Geneva, Claudine Monnet, 41-22-317-5424; in Luxembourg, Ronald Schlesser, 352-45-1414-520.

THE CITIBANK PRIVATE BANK

CITIBANK

© 1995 Citibank NA. Citibank is a registered service mark of Citibank NA.

PRIVATE BANKING / A SPECIAL REPORT

Salaries Reflect Industry's Growth

By Erik Ipsen

LONDON—Last year, the head of Bank Julius Baer in London sank his toe into the market for private bankers and got a nasty shock.

Philip Amphlett had assumed that finding someone to head up the Swiss bank's private-banking arm in London would take as little as three months and be done at a reasonable expense.

Instead, the search dragged on for 10 months. That was disappointing. What was astounding was the price of talent.

"What amazed us was how expensive people were," Mr. Amphlett said. "At the extreme end of the range some of them were knocking on seven figures — in pounds."

After several years of explosive growth, years in which many of Britain's largest banks have raced into private banking like it was the industry's last Klondike, soaring demand for seasoned private bankers has collided full force with lagging supply. The result has been a massive leap in the price of talent that threatens some of the very assumptions about the low costs and high returns in private banking that made the business so irresistible to so many in the first place.

"Private bankers have become a much-sought-after species," said Henry Hopper, a senior consultant at Directorship Appointments, a headhunting firm specializing in private bankers. "There are more than 100 private banks in Britain, he said, up from a mere dozen a decade ago.

The success or failure of any private bank—an institution that succeeds or fails not so much on product as on service—hinges on the quality, and constancy, of its staff, consultants and private bankers say.

While private bankers' incomes are still modest compared with those of corporate finance officers and bond traders, the sudden demand for their talents has nonetheless caught many institutions off-guard.

That is particularly true of the private-

banking arms of Britain's leading High Street banks.

"The problem many banks have is that it is difficult to open up their compensation structures," said Mike Giles, chairman of Merrill Lynch International Bank in London.

"They cannot afford to pay their best people what they should nor what the market would pay them," he said.

Many of the banks have attempted to sidestep the need to fork over higher pay for private bankers simply by not hiring any. Instead they have filled their upscale private-banking offices with renamed branch bankers.

A case in point is Midland Bank PLC's fledgling private-banking arm. In the last year it has opened no fewer than 30 offices across Britain, but it saw no need to look far for talent.

"We brought people across from our branches," said Brian Grigg, who heads the London division of Midland Private Banking.

What's more, Midland saw no need to adjust the bankers' salaries just because the adjective "private" had been added to their job description.

"Everyone within Midland Bank is paid on the same standard terms," Mr. Grigg said.

But such a salary structure poses big problems in a market where institutions compete increasingly for staff, consultants and many private bankers said.

"The most important thing in running my business is the continuity of my staff," said Ray Entwistle, the managing director of Adam & Co., the private-banking arm of Royal Bank of Scotland PLC. He said that the constant turnover in many large retail banks is an important reason why growing numbers of clients opt for a relationship with a private bank like Adam.

In the old days, that continuity was assumed, as few corners of the finance industry were more stable than private banking. Their salaries never drew close to those of brokers or fund managers, but

private bankers got what amounted to a lifetime contract with their institution.

The growing success of the private-banking offshoots of the big brokerage houses and some big American commercial banks has shredded those assumptions. Simply put, a good private banker in Britain no longer need assume that his superior performance will go unrewarded. In an industry that is growing at an estimated 15 percent a year, headhunters are prowling private banks as never before, armed with prospective pay packages unprecedented in the industry.

"We pay industry median salaries and offer discretionary bonuses on top of that," said George Alford, the head of Kleinwort Benson Private Banking.

Just how high might such bonuses go?

"I would say 60 or 70 percent, but in special cases we might go up to 100 percent" of base salary, Mr. Alford said.

Merrill Lynch sees no reason to stop there. It offers recruits a choice between two compensation systems. The first is the more traditional, which pays out a combination of salary and bonus. The second better reflects the brokering background of the bank's parent, Merrill Lynch & Co. It offers a salary plus what amounts to commissions plus payments for new business generated and the ability to maintain existing relationships.

By most accounts, what once was a relatively level playing field has now tilted heavily against traditional private-banking operations. Their counter is two-pronged. To clients, they emphasize the dangers of turning over their assets to stock jockeys. To staff, they warn of the perform-or-perish approach taken by many of the new, more aggressive operations.

"They are trying to defend themselves," Mr. Giles of Merrill said. "because they are losing bankers and they are losing clients."

ERIK IPSEN is the London correspondent for the International Herald Tribune.

Giants Rue Foray Into a Tough Business

By Aline Sullivan

THE private-banking dynasties of Geneva made it look so easy. But over the past decade, some of the world's biggest and most aggressive banks have come to rue entering the fiendishly hard business of private banking.

Ten years ago, soaring stock market and property values meant that there was plenty of new money around, money that could be deposited in the types of private-banking accounts that had formerly been the preserve of old money.

Some banks continue to woo clients with lower net worths. Bank of Boston, for example, last year halved the minimum asset requirement for its private-banking service to \$500,000, and the resulting clients make up a fourth of its private-banking business.

Paul Diesel, director of administration for the private-banking division, emphasized that richer clients should not feel threatened.

"We are not for everybody," said Warwick Newbury, head of private banking at Coutts, a subsidiary of National Westminster Bank PLC in London. "Banking here is like flying first class

or staying at the Savoy. It does not have an image."

He declined to stipulate minimum asset requirement, saying that the school-age children of existing clients were welcome to open accounts.

"But generally, if the income is less than £100,000 a year or total liquid assets are less than £150,000, it is unlikely that we can add value," Mr. Newbury said.

The established banks may have cornered the market in Europe, but today's battleground is in Southeast Asia, where new money is outstripping old. European and North American banks are pushing hard there but are not having much luck.

"The new private banking clients in Asia are far more concerned than people with older money about price and technology," Mr. Hoge said.

The Swiss private banks don't have much of a strategic here," he added, "because they think that the clients they will will come to Switzerland."

ALINE SULLIVAN is a journalist based in London who specializes in financial topics.

A High-Tech Personal Touch?

By Martin Baker

THE concept of the world as a global village, its vastness shrunk by ever-more powerful media, has been common currency since the early 1960s. Now, it seems, the electronic age is finally dawning in the tradition-steeped world of private banking.

The private-banking arms of the U.S. giants Chase Manhattan Corp. and Citibank have long laid emphasis on electronic communication with their clients. This summer the Royal Bank of Scotland International, a Jersey-based private bank, launched a telephone banking service aimed at providing 24-hour access for its clients around the world.

The traditional view of the relationship between client and banker revolves around proximity of time and geography.

"Probably five hours is the maximum that a client wants to be from his money," said Lee Williams, international tax partner at the accounting firm of Ernst & Young in Jersey. The Bank of Scotland is specifically designed to cater to clients who are unperturbed by traversing many time zones.

But skeptics ask, even if improved telecommunications can make the world smaller, can they preserve the intimacy that is supposed to lie at the heart of the client-banker relationship?

"Our aim is to be personal,

quick and efficient," said Nigel Hair, business development

manager at Bank of Scotland. "It's part of our business development to have a computer system running 24 hours a day, but the human element is important. Whenever clients call, there is a human being at the other end of the line."

Part of the reason for that is technical, he said. It is impossible to have a touch-tone voicemail system for clients around the world because many countries do not have appropriate phone systems.

Andrew Costard, assistant director of Guinness Mahon Private Bank in London, sees the increased use of technology as a system working in parallel with the tradition of human contact.

"Communication by computer and telephone is not anathema at all to traditional private banking," he said. "You can retain information through computer systems so that the essentials of the client relationship are never forgotten, and you have this wealth of information that's easily accessible. But clients very much appreciate regular meetings, and we expect this will always be the case."

Roland A. Jansen, director of Liechtensteinische Landesbank in Liechtenstein, also said that the personal touch in private banking remained indispensable.

"It is partly because of this that the margins in private banking are still very lucrative," he said. "We are all running after the same high-net-worth individuals. Technology can be both efficient and lucrative if it is used to streamline a bank's operations, but machines can never take over completely. The banks that will do best will be those that strike the balance between their use of high technology and human power."

Mr. Jansen said private banks would merge or seek financial backing to pay for the move to 24-hour banking, but he emphasized that "by its nature private banking must be relationship-based. Clients want to know who they are dealing with."

Knowing exactly who they are dealing with lies at the heart of the problem that increased use of technology presents to private bankers.

"Security is undoubtedly a huge problem," said a banker from a large private bank in Geneva. "We make sure that the serving systems are totally separate from client electronic mail boxes when we send them information. And we have never allowed clients either to consult our own computer directly or to make transfers or leave instructions electronically. They have to deal with a member of our staff."

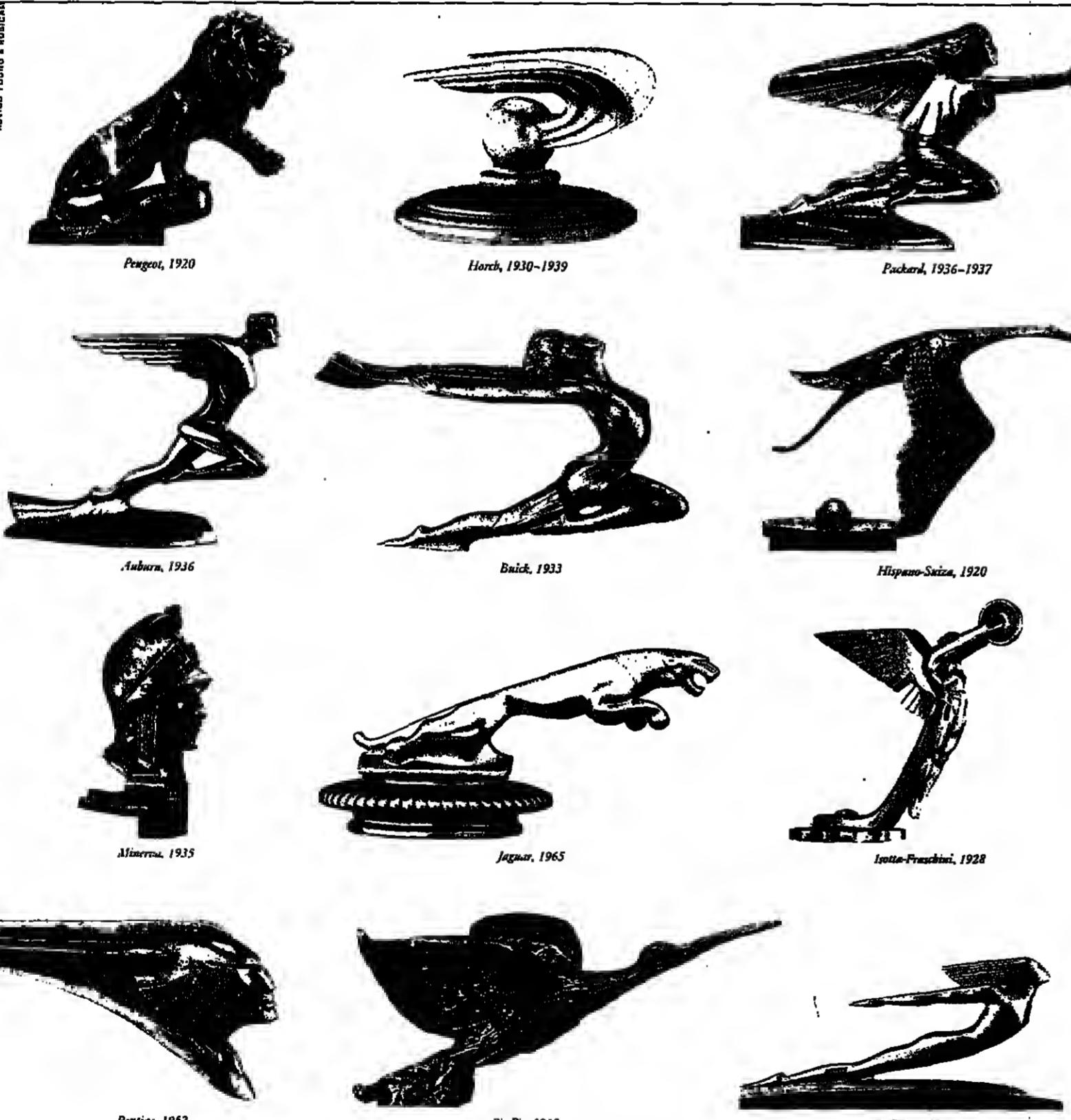
The idea of the larcenous computer hacker is also a nightmare for banking regulators.

"You can never be 100 percent secure," said Roger Bignell, the deputy director of the Jersey Financial Services Department. "What you have to do is try and compartmentalize the risk, so that if someone does get into the system and does damage, only a part of the thing collapses."

Goldman, Sachs & Co. Bank

Zürich, Switzerland

Serving Private Clients



Your knowledge of the Pic-Pic and the Hispano-Suiza is every bit as impressive as our understanding of Split and Spread.

In the complex world of wealth management, it's vital that you have complete confidence in your bank. In our view, this calls for an adviser who is more like a partner than a traditional asset manager. At UBS Private Banking, our advisers are trained to keep you fully informed of the strat-

egy we recommend and the decisions we take according to your investment goals. You will not only be aware of what we do. You will also know the whys and wherefores. It's a factor which has contributed to our envied international reputation which in turn is supported by our AAA rating.

UBS Private Banking

Expertise in managing your assets



GOLDMAN, SACHS & CO. BANK MÜNSTERHOF 4 PONTAFEL CH-8022 ZÜRICH

TEL: +41 224 1000 FAX: +41 224 1070

Approved by Goldman Sachs International, regulated by the Swiss Financial Markets Commission.



SPORTS

Juventus Humiliated by Lazio Bayern Survive Stuttgart Rally

Compiled by Our Staff From Dispatches

Italian champions Juventus suffered a humiliating 4-0 defeat to Lazio on Sunday. Lazio's big win at Rome's Olympic Stadium was achieved without goalkeeper Luca Marchegiani, carried off after 25 minutes.

Pierluigi Casiraghi scored twice. Giuseppe Signori and Roberto Rambaudi once each as

Alexander Zickler had put Bayern ahead again and Mehmet Scholl sealed the win.

Reigning champions Borussia Dortmund stretched the nerves of a 70,000 crowd before Michael Zorc hit an 89th-minute winner in a 2-1 win away to Schalke.

Sweden Djurgarden's home match with Halmstad was abandoned on Saturday, after fans attacked the referee and threw missiles on to the pitch.

The clubs were playing their final league match of the season, with a UEFA Cup place at stake. When Halmstad's Anders Smith scored an early goal, 10 home fans ran on to the pitch and attacked referee Anders Frisk. Police rushed to his aid and Frisk escaped unharmed.

Rober Anderson made it 2-0 just before half time. In the second half home fans threw iron bars and bottles on to the pitch. Frisk stopped the game in the 65th minute.

Göteborgs' bear Treliborg 2-0 to keep the title, their fifth in six years, in spite of a terrible start to the season: they were bottom after nine matches.

England: Premier League leaders Newcastle United lost ground on the chasing pack on Sunday when they drew 1-1 away to Tottenham. Chris Armstrong gave Spurs the lead before Frenchman David Ginola equalized, it was his first league goal for Newcastle.

Manchester United are second. It beat Middlesbrough 2-0 at Old Trafford on Saturday even without midfielder Ray Keane, sent off after 30 minutes for punching Boro striker Jan-Aage Fjoroff. Gary Pallister gave United the lead after 44 minutes and Andy Cole scored the second late on.

Liverpool, who had beaten Manchester City 4-0 at Anfield on Wednesday, went two better — handing the Premier League's bottom side a beating.

Netherlands: Ajax Amsterdam trounced last year's runners up, Roda JC Kerkrade, 6-1 in the Dutch first division on S

Ajax has won all 12 league games scoring 47 goals, conceding just three and is unbeaten in 46 Dutch league games.

Ajax stayed five points clear of PSV Eindhoven, 2-0 winners



The Bosnian cease-fire meant fans could again attend games in Sarajevo, where the stadium would have been an easy target, to watch their team play Travaik on Saturday.

over Willem II Tilburg.

Spain: Atletico Madrid, the Spanish league leader, was held to a 1-1 home draw by Merida on Sunday but still gained

ground on second-place Barcelona which lost 2-1 in Santiago on Saturday.

Bosnian striker Mehdi Kodro put Barcelona ahead at half time.

(Reuters, AFP)

Nebraska Rolls On While Wildcats Win the Battle of Kansas

The Associated Press

Nebraska vs. Colorado is the marquee game of the Big Eight season. Kansas vs. Kansas State is usually for last place.

This year, both were big.

The Cornhuskers, ranked No. 2 by The Associated Press, didn't miss a step in beating No. 7 Colorado, 44-21, Saturday, and the 14th-ranked Wildcats proved they were best in the state by handing No. 6 Kansas its first loss of the season, 41-7.

COLLEGE ROUNDUP

Kansas (7-1, 3-1 Big Eight) came in as one of five unbeaten Division I-A teams, but Kansas State (7-1, 3-1), rebounding from a 49-25 loss at Nebraska, took a 27-7 half-time lead and beat a Top Ten team for the first time in 25 years.

No. 2 Nebraska 44, No. 7 Colorado 21: Tommie Frazier threw for a career-high 241 yards and two touchdowns and ran for a score as the visiting Cornhuskers continued their domination of Colorado.

Ahman Green ran for two touchdowns for

Nebraska (8-0, 4-0), which beat Colorado (6-2, 2-2) extended its winning streak to 21 games.

No. 3 Florida 52, Georgia 17: The Gators, playing in Sanford Stadium for the first time in 63 years, routed the Bulldogs (5-4, 3-4 Southeastern Conference) with Danny Wuerffel passing for 242 yards and five touchdowns in less than three quarters.

Wuerffel gave the Gators (8-0, 7-0) a 21-0 lead in the first 12 minutes.

No. 4 Ohio St. 56, No. 25 Iowa 35: Led by Eddie George's four touchdowns, Ohio State (6-0, 4-0 Big Ten) scored a school-record 56 first-half points and remained a half-game behind Northwestern in the conference.

Iowa (5-2, 2-2) hadn't trailed by 56 points in a game since losing to Nebraska, 57-0, in 1980.

No. 5 Tennessee 56, South Carolina 21: Peyton Manning threw for four scores to beat South Carolina. Joey Kent caught two touchdown passes to lead host Tennessee (7-1, 5-1 SEC) over the Gamecocks (4-4, 2-4-1).

No. 8 Northwestern 17, Illinois 14: Eric Collier's interception of a desperation pass stopped Illinois' final drive with seven seconds

left as Northwestern overcame a 14-0 deficit against Illinois (3-4, 1-3 Big Ten).

Darnell Autry gained 160 yards for a ninth straight game. The victory kept visiting Northwestern (7-1, 5-0) atop the conference.

No. 9 Michigan St. 52, Minnesota 17: In Ann Arbor, Michigan, Brian Griese matched a school record with four touchdown passes and Tshimanga Biakabunku ran for two scores and 196 yards. Griese was 14-of-19 for 271 yards for Michigan (7-1, 3-1 Big Ten).

Arizona St. 35, No. 10 Oregon 24: Sun Devil quarterback Jake Plummer directed two touchdown drives in the final five minutes to beat the Ducks (6-2, 3-2 Pac-10). Arizona State (4-4, 3-1) went ahead 28-24 when tight end Steve Bush made a diving catch on fourth-and-one play.

Arkansas 30, No. 11 Auburn 28: The host Razorbacks (6-2, 5-1 Southeastern Conference) led 27-0 at halftime. Auburn made it 30-28 with 18 seconds left and recovered an onside kick but the Tigers (5-3, 3-3) ran out of timeouts and Matt Hawkins' 52-yard field goal attempt missed.

No. 12 Notre Dame 20, Boston College 10:

Marc Edwards rushed for a career-high 167 yards for Notre Dame (7-2) at South Bend, Indiana. Boston College (2-6) had a chance to tie the game with 12:30 left, but Mark Hartsell was intercepted by Lyron Cohns at the Notre Dame 2.

No. 13 Southern Cal 21, No. 17 Washington 21: Southern California scored in the final minute to tie Washington (5-2-1, 4-0-1 Pac-10).

The visiting Trojans (6-1-1, 4-0-1 Pac-10) didn't attempt a two-point conversion after Brad Ott's two-yard touchdown pass to Jimmy Williams with 33 seconds left.

No. 16 Penn St. 45, Indiana 21: The Nittany Lions (6-2, 3-2) converted turnovers on four straight Indiana possessions into 17 first-half points. Indiana (2-6, 0-5) had five turnovers and also had a punt blocked.

No. 18 Alabama 38, North Texas 19: Brian Steger rushed for 97 yards against visiting North Texas, but the Crimson Tide (6-2) did not secure the victory until Freddie Kitchens hit Chad Key for a seven-yard touchdown with 9:02 remaining.

No. 19 Texas A&M 31, Houston 7: Texas A&M (5-2, 3-1 Southwest Conference) won its 30th straight at home.

NASDAQ NATIONAL MARKET

Consolidated trading for week ended Friday, Oct. 27.

(Continued)

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100s High Low Chg Chg

Stocks Div Yld Sales 100

SPORTS

Australians Retain Rugby League TitleBy Ian Thomsen
International Herald Tribune

LONDON — Each one of the Australians had the certain look of an actor receiving his fifth Oscar: a smile or a hug, for some just a sincere handshake. For most it was the first time, but they made it look like old hat. If the English had won, on the other hand, it would have been orgiastic.

The celebration of Australia's fifth consecutive rugby league World Cup title was revealing as the performance, a 16-8 victory over host England in the final Saturday at Wembley.

Just three weeks earlier England had beaten the world champion here in the tournament's opening game, and in five Wembley matches now over the last five years, Australia has beaten England only twice. Emphatically, those victories have come in the last two World Cup finals. All else Aus-

tralia has distinguished as rehearsal.

"We just seem to be coming in a little bit behind them," said England's captain, Denis Bettis. "I'd like to play them again next week."

For the same stakes, the result would likely stand. Australia has been world champion since 1975 in what is its national sport. A feud between the establishment Australian Rugby League and the new Rupert Murdoch-driven Super League divided the country's pool this year, with World Cup selectors ignoring the stars who signed with Murdoch. They were left with a young national team. The first game had gone against them and the semifinal against New Zealand had been allowed to wander into extra time.

But they matured in the early dusk Saturday, after an England scrum had gone against them and the semifinal against New Zealand had been allowed to wander into extra time.

But they matured in the early dusk Saturday, after an England

scrum had gone against them and the semifinal against New Zealand had been allowed to wander into extra time.

Much less was expected of Australia, but England helped

the game had been played in the soft light of one of those beautiful late afternoons on the edge of winter. Possession grew less secure, the exchanges more frenetic, as England played out the next minutes as if they were the final lap. Then Rod Wishart, who had scored the opening try for Australia, broke into England's half with a long, steady run. Eventually Andrew Johns (man of the match for the third time this month) left it for Tim Brasher to volley a grubber kick through the hands of the diving Kris Radlinski. Brasher scrambled over him for the final score (converted) with 12 minutes left. Brasher is one of just two returnees from Australia's previous world champion.

"I'd like to think that was my best victory since I've been here," said Bob Fulton, who has been directing the Kangaroos since 1989.

Much less was expected of

Australia than that thinking for good just the sixth minute. Bobbie Goulding had put England ahead with the first of his two penalties, only to watch teammate Phil Clarke try to trap the ensuing kick as if stepping on a rat's tail. Australia recovered for Wishart's try and a 6-6 lead.

The only adventure was the long, anticipated breakaway down the left wing by England's Martin Offiah, on legs that seemed to spread out from his rib cage. He tried to leave it inside the Australian 10-yard line for Newlove to run in the try, but Stuart Cummings, the English referee, ruled that Brasher had knocked Offiah into touch, just barely. Most of the 66,540 crowd were still catching their breaths over Offiah when Johns converted a penalty (kicked for eight points overall) after a resolute drive by Australia for its 10-4 lead at the half.

"Yes, I am," England's coach, Phil Larder, said when

asked if he was disappointed in

his team.

"I think when an international team makes as many mistakes and gives away as many penalties as we did in a World Cup final, it has committed suicide."

Their loss was one of the last big internationals as Wembley will see. This week a steering board will evaluate bids on a new national stadium in England. The new

stadium could go up in another city, or it might be built here, after Wembley has been torn down (save the famous Twin Towers, which are protected as heritage).

For the rest of the day, the crowd would try to urge the ball wide and wider out to Offiah. It was their best hope; but England's way was to risk little until it had plowed out of its own end, and that didn't happen

Torrance Loses Out By 1 Shot

Reuters

SOTOGOMERIE — Colin Montgomerie became the first man since Seve Ballesteros in 1978 to win the European Order of Merit for a third successive year when he finished second in the Volvo Masters on Sunday.

Czech-born German Alexander Cejka won the tournament by two shots over Montgomerie. However, Montgomerie's chief opponent was fellow Scot Sam Torrance, leader in the merit table before the tournament. Torrance shot a three-under 68 and watched as Montgomerie played the last nine holes. Montgomerie birdied the 12th, then parred the next six holes to gain the 72 to finish second in the tournament and first in the rankings.

Tim Brasher scoring the winning try in the Australians' 16-8 victory over England.

Neil Masse/The Associated Press

SCOREBOARD**FOOTBALL****Top 25 College Results**

How the top 25 teams in The Associated Press college football poll fared this week: 1. Florida State (7-0) lost to No. 20 Virginia, 17-14; 2. Notre Dame (6-1) beat No. 7 California, 24-13; 3. Penn State (7-0) beat No. 12 Michigan, 24-10; 4. Ohio State (6-0) beat No. 19 Boston College, 27-17; 5. Northwestern (7-0) beat Stanford, 17-14; 6. Michigan (7-1) beat Minnesota (5-2); 7. Michigan State, Saturday, 31-17; 8. Tennessee Tech (7-1) beat South Carolina, 45-21; 9. Next vs. Southern Mississippi, Saturday.

10. Florida (7-0) lost to No. 14 Kansas, 30-21; 11. Notre Dame vs. Michigan, 27-7; 12. Northwestern (6-1) beat No. 2 Nebraska, 24-21; 13. North Carolina (6-1) vs. Oklahoma State, Saturday, 17-14; 14. Next vs. No. 16 Penn State, Saturday, 17-14; 15. Next vs. No. 10 Michigan State, Saturday, 17-14; 16. Next vs. No. 12 Oklahoma, Saturday, 15-14; 17. Auburn (5-3) lost to Arkansas, 30-28; 18. Next vs. No. 16 Louisiana State, 12-10; 19. Next vs. No. 10 Oregon, Saturday, 21-14; 20. Next vs. Navy, Saturday, 14; 21. Southern California (6-1) vs. No. 17 Washington, 21-21; 22. Next vs. Stanford, Saturday, 14; 23. Kansas State (7-0) beat No. 6 Kansas, 34-24; 24. Next vs. No. 5 Florida, Saturday, 17-14; 25. Next vs. No. 22 Texas Tech, Saturday.

16. Penn State (6-2-0) beat Indiana, 45-21; 17. Next vs. No. 8 Northwestern, Saturday, 17, Washington (5-2-1) tied No. 13 Southern Cal, 21-21; 18. Next vs. No. 10 Oregon, Saturday, 10; 19. Next vs. Louisville (6-1) vs. No. 15 Illinois, 26-20; 20. Next vs. No. 12 Michigan, 24-20; 21. Next vs. No. 1 Florida, Saturday, Thursday, Nov. 2.

22. Syracuse (6-1-0) lost to play, Next vs. Virginia Tech, Saturday, 12; 23. Texas Tech (5-2-0) beat New Mexico 34-7; 24. Next vs. No. 15 Texas, Saturday, 23; 25. Oklahoma (5-2-1) beat Missouri, 32-19; 26. Next vs. No. 14 Kansas State, Saturday, 24; 27. UCLA (6-2-0) beat California, 13-14; 28. Next vs. No. 10 Stanford, Saturday, 25; 29. Iowa (5-2-0) lost to No. 4 Ohio State 56-35; 30. Next vs. Illinois, Saturday.

Major College Scores

EARLY

Army 54, Colgate 14

Bucknell 22, Cornell 11

Concord 22, St. Peter's 20

Cornell 38, Brown 26

Dartmouth 23, Harvard 7

Delaware 61, Maine 8

Duke 26, Princeton 19

MONDAY, OCTOBER 30, 1995

PAGE 23

Third Time's the Charm As Braves Take Series

Justice's Homer Provides 1-0 Victory And Glavine Holds Indians to One Hit

By Murray Chass
New York Times Service

ATLANTA — First in Boston, then in Milwaukee and now, finally, in Atlanta, the Braves have executed an unprecedented triple play of World Series championships.

Completing their 30th season in their third home, the Braves edged the Cleveland Indians, 1-0, on Saturday night, and won the 91st World Series four games to two, wiping out the lingering frustration from World Series losses in 1991 and 1992.

David Justice and Tom Glavine fueled the clinching victory. Justice, who the day before ignited a controversy by criticizing Braves' fans for what he said was their lack of support, hit a sixth-inning home run against Jim Poole. Glavine, who was the team's top pitcher before Greg Maddux was acquired three years ago, allowed only one hit in eight innings, a leadoff single in the sixth inning by Tony Pena.

The combination brought the city of Atlanta its first championship ever in a professional sport. And the Braves became Major League Baseball's first champions since the Toronto Blue Jays won the World Series in 1993.

That Justice produced the only run in the game created drama on two fronts. He had struggled throughout the three-tied postseason, entering the game with a .214 batting average and no extra-base hits in 42 times at bat. His unfriendly words to the fans, which he delivered to reporters Thursday, produced a reaction from some of the 51,875 at Atlanta-Fulton County Stadium.

"Hope your bat is as big as your mouth," read one sign in the stands.

It was. After rapping a double in the fourth inning, Justice led off the sixth against Poole and drove the ball over the right-field fence. Glavine whopped through the tough Indians lineup, giving up only the hit to Pena and three walks. The Indians never had more than one base runner in an inning.

Mark Wohlers, the type of closer the Braves lacked in the 1992 and '93 Series, pitched the ninth and set down Kenny Lofton on a foul pop, pinching Paul Sorrento on a fly to center field and Carlos Baerga, who made the final out in each of the first two games, on another fly to center.

When Marquis Grissom caught Baerga's fly, the fans erupted. Justice had nothing to complain about then.

The Indians entered the game armed with an eyewitness account of the last time a team had a 3-2 World Series lead and lost two games at home. Dennis Martinez, the Indians' starter on Saturday night, and Eddie Murray, the team's first baseman, played for the 1979 Baltimore Orioles, who were in that position and lost both games and the Series to the Pittsburgh Pirates.

Martinez, who lost to Glavine in the second game, tried valiantly, even though he has continued to be bothered by a stiff shoulder. He didn't allow any runs, but he struggled and didn't complete five innings.

The 40-year-old Nicaraguan gave up two singles in the first inning, and he walked two batters in the second inning. But Chipper Jones stroked the second single after Mark Lemke was out trying to steal second base, and shortstop Omar Vizquel made another outstanding play to start an inning-ending double play that nullified the two walks.

Vizquel fielded Rafael Belliard's ground ball behind second and didn't appear to have a play at second. But in one motion, when he was already past second, he flipped the ball with his glove to Baerga, who grabbed it with his bare hand and turned and fired to first for the double play.

In the fourth inning, the Braves loaded the bases after Justice cracked a two-out double, but Belliard went to bat for the 14th time in the Series and for the 14th time made an out, on a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The next inning was Martinez's last. He set down the first two batters, but he walked Lemke, and Jones got an infield single. Poole, a left-hander, had warmed up practically every inning, and this time Manager Mike Hargrove called him into the game to pitch to the left-handed Fred McGriff. The game remained scoreless because Poole struck McGriff out.

Unlike Martinez, Glavine breezed through the Indians' lineup. In three of the first four innings, he faced only three batters. He walked Albert Belle, the leadoff batter in the second,

but Javier Lopez threw Belle out when he tried to steal second.

Belle also began the fifth with a walk, but Glavine retired the next three batters, making him the first pitcher since Charlie Leibrandt, in 1985 to start a World Series game with five hitless innings.

Glavine's hitless string ended at the start of the sixth when Pena looped a single to center. But Hargrove made another in a series of World Series moves that left him open to question.

Poole was the scheduled batter, and the obvious play was a sacrifice bunt. But when might Poole have last bunted in a game? Not unexpectedly, he failed in his mission, bunting three pitches foul.

Lofton, who was 0 for 11 since reaching base all six times he batted in Game 3, then forced Pena at second and stole second himself. But Vizquel hit a foul pop for the third out.

The

